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COMMITTEE MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
1001 I STREET
2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

WEDNESDAY, FEBRUARY 8, 2006
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Rosalie Mulé, Acting Chair

Mr. Gary Petersen

BOARD MEMBER ALSO PRESENT

Ms. Margo Reid Brown

Ms. Cheryl Peace

Ms. Patricia Wiggins

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Ms. Holly Armstrong, Staff Counsel

Ms. Elliot Block, Staff Counsel

Ms. Bonnie Cornwall, Supervisor, Grants & Certification
Section I

Mr. Mitch Delmage, Manager, Waste Tire Management

Ms. Donnell Duclo, Executive Assistant

Ms. Sally French, Staff

Mr. Nate Gauff, Staff

Mr. Jim Lee, Deputy Director

Ms. Angela Parker, Staff

Mr. Chris Schmidle, Staff

Ms. Elena Yates, Staff

Mr. Calvin Young, Staff

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APPEARANCES CONTINUED

ALSO PRESENT

Mr. Michael Blumenthal, Rubber Manufacturers Association

Mr. John Cupps, Consultant, San Luis Obispo Integrated
Waste Management Authority

Mr. Terry Leveille, TL & Associates

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1 PROCEEDINGS

2 ACTING CHAIRPERSON MULÉ: Good morning, everyone.
3 There are agendas on the back table. If anyone wants to
4 speak to an item, please fill out a form and bring it up
5 to Donnell. And you'll have an opportunity to address the
6 Committee.

7 I just want to say that our Board Chair who is
8 also the Committee Chair, Rosario Marin, has been called
9 to a higher duty, so to speak. Onward and upward. So
10 with that, Board Member Petersen and I are the two
11 Committee members here today. So I will be chairing the
12 Committee for today.

13 And I want to once again welcome our Member Margo
14 Ried Brown. We're so excited to have you here. Thank you
15 so much for being here.

16 And, Cheryl Peace, thank you again for being
17 here. Glad you're here way over there.

18 I understand that our Board Member Pat Wiggins
19 will be here shortly. So we just thought we'd get
20 started.

21 Okay. Also if you would either turn off or put
22 your cell phones and pagers on the silent mode, we would
23 certainly appreciate that.

24 And, Donnell, would you please call the roll?

25 EXECUTIVE ASSISTANT DUCLO: Members Petersen?

1 BOARD MEMBER PETERSEN: Here.

2 EXECUTIVE ASSISTANT DUCLO: Mulé?

3 ACTING CHAIRPERSON MULÉ: Here.

4 And how about ex partes?

5 BOARD MEMBER PETERSEN: I'm up to date.

6 ACTING CHAIRPERSON MULÉ: As am I. Thank you
7 very much.

8 Good morning, Mr. Lee. We're ready for your
9 Deputy Director's report.

10 (Thereupon an overhead presentation was
11 presented as follows.)

12 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

13 Good morning, Committee members. My name is Jim Lee,
14 Deputy Director for the Special Waste Division.

15 I'd like to use my available time this morning to
16 update the Committee on the salient portions of the Board
17 staff's U-Waste Action Plan. Major program elements for
18 this action plan include collaborating very closely with
19 DTSC and other stakeholders, assessing the infrastructure
20 and financing options available, exploring manufacturer
21 partnerships and product stewardship options, providing
22 grant funding for infrastructure and recycling programs
23 for u-waste for both household and small businesses, and
24 integrating a consistent statewide public education
25 message. A discussion of this plan this morning is

1 particularly timely since today is the last day that
2 homeowners and others can legally dispose of certain
3 u-waste items in their household trash.

4 --o0o--

5 DEPUTY DIRECTOR LEE: U-waste is a type of
6 household hazardous waste. Household hazardous wastes
7 include things like paint, used oil, pesticides. And
8 these things are already prohibited from going into the
9 landfill.

10 --o0o--

11 DEPUTY DIRECTOR LEE: U-wastes are hazardous
12 wastes that DTSC has determined pose a lower risk to
13 people and the environment and have reduced management
14 requirements. DTSC also recognized a few years ago that
15 the infrastructure for the convenient collection recycling
16 of those materials from homeowners was not well
17 established and needed time to develop.

18 --o0o--

19 DEPUTY DIRECTOR LEE: In light of these
20 considerations, in 2002, DTSC granted an exemption from
21 the landfill disposal ban of certain u-waste items
22 including florescent tubes, household batteries, and
23 consumer electronic devices until February 8th, 2006.
24 However, a decision by DTSC announced on January 10th of
25 this year ended this exemption.

1 Despite more than four years to prepare for this
2 date, many local jurisdictions are still unprepared and
3 have not established or identified collection and
4 recycling infrastructure. Many have been phased by the
5 estimated costs of compliance. One study prepared several
6 years ago estimated annual costs for local jurisdictions
7 of upwards of \$40 million. A more recent estimate
8 prepared by one county, the county of San Luis Obispo,
9 projected cost of \$4 million a year for their county alone
10 for accepting, processing, and disposing of universal
11 waste more than ten times what they are currently spending
12 on all other household hazardous waste management.

13 --o0o--

14 DEPUTY DIRECTOR LEE: Again, those items that are
15 primarily effected by the landfill ban now are household
16 batteries, florescent light tubes, and certain consumer
17 electronic devices. When you examine this list and
18 recognize that other items are likely to be added to it
19 down the road, you can understand and appreciate the
20 problems that local jurisdictions are facing and why costs
21 for handling and processing this material appear to be so
22 high.

23 Take batteries for instance. They are very
24 small. And unlike a TV set or similar e-waste item, they
25 are easy to dispose of in the trash either consciously or

1 unconsciously. Once disposed, they are difficult to
2 detect and separate. Florescent tubes are even more
3 fragile than another common e-waste items, computer
4 monitors, for example. This fragility increases potential
5 disposal costs. Indeed, in an earlier florescent tube
6 collection program piloted by a Bay Area jurisdiction,
7 florescent tubes collected at retail establishments had to
8 be Fed Exed to the processor. Obviously, the cost
9 effectiveness of that particular approach probably needs
10 to be looked at.

11 And, finally, with regards to consumer electronic
12 devices, literally anything with a circuit board, the
13 description of these products at the end of their useful
14 lives as universal waste is apropos. We all use these
15 devices. They seem to become obsolete at an
16 ever-increasing rate. And the shear volume of this
17 material that will require processing and handling is
18 overwhelming.

19 The bottom line on this is that we must work with
20 the local jurisdictions to educate the public on their
21 responsibilities under the law for safely disposing of
22 universal waste, while at the same time making every
23 effort to secure the public's good will and cooperation
24 through the provision of convenient and cost effective
25 recycling opportunities.

1 --o0o--

2 DEPUTY DIRECTOR LEE: What we've been doing.
3 Again, staff has been working with DTSC again over these
4 last few years trying to get the word out to local
5 jurisdictions. And even more to the point, the Board has
6 been putting, you know, their money where their mouth is.
7 Parts of the last five HHW grant cycles have been allowed
8 consideration of u-waste. As part of this program, we've
9 piloted, you know, several retail take-back options, you
10 know, which in my opinion is one of the most attractive
11 long-term options for handling this material. Last month,
12 the used oil allocation item, the Board approved a
13 contract concept for development of a model HHW used oil
14 collection facility, something again that can be utilized,
15 you know, once the plans are put together, you know,
16 hopefully can be utilized by other jurisdictions. So
17 again each one is not re-inventing the wheel.

18 We meet with local jurisdictions at bimonthly
19 Household Hazardous Waste Information Meetings and have
20 been since virtually program inception getting the word
21 out to the jurisdictions. And understand that, you know,
22 many of the jurisdictions, the receptivity of our message
23 up until very recently again has been muted. You know,
24 obviously these local jurisdictions have many other
25 municipal priorities they're dealing with. They're still

1 coming to grips with the E-Waste Program. And so again,
2 there's certainly an element of procrastination that was
3 involved in this as well. In fact, I've seen more in the
4 last couple of weeks in the newspapers with regards to the
5 February 9th exemption than I've seen probably in the
6 previous year.

7 So now, you know, I think with the deadline
8 having been established, the local jurisdictions recognize
9 they must move forward. And, you know, we're starting to
10 see more interest, you know, and more receptivity to our
11 message. We've also streamlined the form 303 data
12 collection process to include u-waste and e-waste. Again,
13 we made that electronic for the first time this year again
14 to facilitate collection of that information and included
15 additional requests for information on the u-waste area.

16 ACTING CHAIRPERSON MULÉ: Excuse me, Jim. So the
17 form 303 is a form that we use to collect data from the
18 local jurisdictions on HHW items?

19 DEPUTY DIRECTOR LEE: That is correct. I believe
20 it stems from part of the law that requires the household
21 facilities elements be pursuant to AB 939. So they've
22 been providing -- you know, every year they provide
23 information. We work with DTSC. DTSC collaborates with
24 us on the send out of the form and review and analysis of
25 the data. And we get back information with regards to the

1 amounts of materials that have been collected in various
2 household hazardous waste categories.

3 ACTING CHAIRPERSON MULÉ: Thank you.

4 DEPUTY DIRECTOR LEE: We've also, you know,
5 focused sessions at our u-waste annual conference.
6 Indeed, the last conference which I know Board Member
7 Mulé, you were there, Board Member Peace, this is one of
8 the main focuses that we had at that conference. And the
9 conference is our opportunity where most of our 250 local
10 jurisdictions are there to participate. It's the u-waste
11 item was particularly well received then.

12 Our Permitting and Enforcement section has also
13 recently prepared and disseminated an advisory to the LEAs
14 on how to handle the u-waste problem. And Mr. Howard
15 Levenson and his staff are here today to kind of provide
16 the Committee additional information if you've got
17 questions in that particular area.

18 So I guess the bottom point I wanted to make with
19 this again is that we've been working the last several
20 years again to try and -- in anticipation of reaching this
21 point. And we have I think made -- several things have
22 kind of laid the foundation for action from here on out.

23 --o0o--

24 DEPUTY DIRECTOR LEE: With regards to priorities
25 or where we go from here, we've got a short, mid, and

1 longer term situations. First of all, at today's
2 Committee meeting and this month's Board meeting, we're
3 going to be bringing to the Board for approval an HHW
4 cycle criteria item, again which is again primarily
5 focused on u-waste. It has a couple of unique elements
6 including discussion of a planning set aside which staff
7 will get into in a little more detail. But another
8 example of us trying to provide a leadership role in this
9 particular area.

10 I think as of today or certainly no later than
11 tomorrow morning, we expect to have some revisions to our
12 web page to highlight, you know, the u-waste issues and to
13 provide a link with DTSC and the local jurisdictions with
14 regards to their household hazardous waste programs and
15 where people can go to take this particular material.

16 We're working with our Office of Public Affairs
17 Office to continue our outreach efforts and try and
18 coordinate them so that we have again a comprehensive,
19 consistent approach. Mr. Jon Myers and his staff again
20 are here today again to speak in detail with some of the
21 initiatives they are working on, which include development
22 of fact sheets, various press releases, and radio PSAs.

23 --o0o--

24 DEPUTY DIRECTOR LEE: With regards to mid-term,
25 this is something in the next month to six months. Again,

1 we expect again with the Board's approval to be able to
2 award grants to the HHW grants to local jurisdictions. I
3 think right now we're looking at August to have those
4 ready to go. That will be, if all goes according to plan,
5 \$4 million. You know, that's not \$40 million. But 4
6 billion is better than no dollars. And it's something
7 that's tangible -- a Board's tangible commitment in this
8 particular area.

9 We're working with DTSC to develop a how-to guide
10 information to local jurisdictions. A lot of questions
11 have been coming into both our staff and DTSC staff about
12 how do we handle this stuff? Where does it go? So we're
13 working with DTSC to develop this information and
14 disseminate it.

15 Longer term with regards to the outreach, again,
16 our Public Affairs Office is looking at preparing various
17 video PSAs, you know, to get the message out in addition
18 to the radio spots I mentioned earlier. And, furthermore,
19 we intend again to incorporate u-waste at our upcoming
20 Used Oil Household Hazardous Waste Conference I believe in
21 April and also try to take advantage of other public
22 events of where we can discuss this issue.

23 --o0o--

24 DEPUTY DIRECTOR LEE: Longer term, I think I
25 mentioned earlier in my remarks that we like the retail

1 take-back option. One of the things we're going to be
2 doing on this is trying to in corporation with DTSC, who I
3 understand is also very interested and enthusiastic about
4 this particular approach, are going to try and expedite
5 our efforts again to pursue this retail take-back, you
6 know, and focus it on some of the larger big box stores.
7 That's just one area where we're going to try to go
8 forward with this retail take-back concept.

9 Product stewardship is another situation where I
10 think again we would be well served by pursuing. I think
11 I mentioned to the Committee before I guess I'm personally
12 not a big proponent of the advance disposal fee concept, a
13 fee on every type of new waste that comes along. I think
14 ultimately the longer term strategy is it has to be
15 something where we prevail upon manufacturers to make
16 their products less hazardous and to assume some of the
17 responsibility for handling the ultimate disposal of
18 these. So they will be looking at initiatives in that
19 area.

20 Again, of course, our HHW grants like I
21 mentioned, those are coming up in August. We have a
22 contract concept which we will be proposing again this
23 month which we want to explore long term financing
24 options. Again, the advance disposal fee, retail
25 take-back, the deposit incentives. So again the idea is

1 to try to look at these and be able to determine, you
2 know, which seems to be the best long-term financing
3 strategy for dealing with this material.

4 You know, I've long maintained -- it's really I
5 believe the situation with universal waste it was with the
6 e-waste. It's about the money. It's going to take a lot
7 of money to handle this particular material. And we've
8 got to better understand what's the most cost effective
9 way for dealing with this material.

10 --o0o--

11 DEPUTY DIRECTOR LEE: And then, finally, again
12 some of the Board action we're going to be asking the
13 Board to consider. Again, today's HHW grant will be a
14 good first step. And then again the second bullet item
15 there is the IWMA contract concept for the u-waste
16 financing option. Those are things that are coming
17 forward this month.

18 So, Madam Chair, that concludes my scripted
19 remarks. My staff and I would be pleased to respond to
20 any questions that you might have.

21 ACTING CHAIRPERSON MULÉ: Thank you very much,
22 Jim. It was an excellent overview where we're at with the
23 U-Waste Program.

24 Any questions for anyone, for Jim?

25 COMMITTEE MEMBER PEACE: I guess I just had a

1 comment. It's the last day that we can put things like
2 florescent tubes and batteries in our trash. And how many
3 of us knew that? I mean, in order to get the public's
4 cooperation, they need to be educated and continually
5 educated. And I was really glad to hear all our outreach
6 efforts that we have planned. The jurisdictions have to
7 do their part, too. And I'm just wondering what we can do
8 to encourage them.

9 Because my waste hauler, I got a newsletter two
10 weeks ago that tells me how to have a safer garden, but it
11 doesn't say one thing about the new u-waste rules coming
12 out, you know, what we can and cannot put in our trash.
13 And I'm just wondering how do we encourage the
14 jurisdictions to tell their haulers and stuff, you know,
15 stuff like that, you know, to put in their newsletters. I
16 don't know what we can do. Do you have any ideas?

17 DEPUTY DIRECTOR LEE: Well, I think as I
18 mentioned in my remarks, it's not for lack of trying. The
19 local jurisdictions have known about this. We've been,
20 you know, preaching it for years now. Again, now that the
21 deadline is here, the exemption is not going to be
22 extended. The local jurisdictions are being forced to
23 seriously consider this issue.

24 Like I said, I've seen more media in the last
25 couple of weeks than I've heard in the last year. So

1 obviously that strategy of -- well, I'll just say that
2 again the deadline is here. People are moving. So,
3 again, I think procrastination element was a problem in
4 the past. But, you know, I think the local jurisdictions
5 are getting beyond that.

6 I've been very encouraged, you know, recently by
7 again some of the things I've read. I noticed again there
8 was a newspaper article we got a clip on from in the
9 San Diego area down in your neck of the woods, Board
10 Member Peace, from Greg Cox, Supervisor for the 1st
11 District. This is something that appeared in the Union
12 Tribute on January 22nd. This was with regards to the --
13 he was basically advocating for a regional approach for he
14 calls it e-waste, for basically, you know, e-waste and
15 universal waste.

16 And he says that, "Shortly, I will be asking
17 the County's environmental health professional to
18 closely examine our local needs and to work with
19 the private sector and their counterparts in the
20 18 local cities on the universal waste challenge.
21 My goal is to develop a regional approach to
22 inform residents and create real solutions.
23 Until then, I encourage everyone to visit
24 www.earth911.com to find the closest local site
25 and dispose of their universal waste

1 responsibly."

2 This is the kind of thing that we're trying to
3 encourage. We're seeing more jurisdictions starting to
4 recognize their responsibility in this area. I think
5 efforts I've outlined as part of the Board's Action Plan,
6 the planning set aside grants you'll be hearing about
7 shortly are our ways to facilitate, expedite, support this
8 ongoing process to provide support to the local
9 jurisdictions in this area.

10 BOARD MEMBER PETERSEN: Jim, hi. January 10th
11 was the decision date to sunset how the regulations were
12 going to be?

13 DEPUTY DIRECTOR LEE: Yes.

14 COMMITTEE MEMBER PETERSEN: So it was like a
15 month ago?

16 DEPUTY DIRECTOR LEE: Yes.

17 BOARD MEMBER PETERSEN: So we've got all the
18 stuff that has to come out of the waste stream and no
19 infrastructure to make it happen, except the existing
20 household hazardous waste collection systems?

21 DEPUTY DIRECTOR LEE: I wouldn't say there's no
22 infrastructure.

23 BOARD MEMBER PETERSEN: Except for the household
24 hazardous waste.

25 DEPUTY DIRECTOR LEE: Like florescent tubes. As

1 I understand it, 80 percent of the florescent tubes are
2 being handled appropriately because again large businesses
3 have already -- the ban didn't apply to them. The
4 exemption didn't apply to them. They've been having to
5 deal with this for several years. DTSC maintains there
6 are places where this stuff can be recycled. The problem
7 is, you know, I think what's weak is the network from the
8 collection of the materials, you know, from the household.

9 So there are recyclers. You know, there is a
10 building network. But in my estimation, it's weakened and
11 not comprehensive.

12 BOARD MEMBER PETERSEN: I have no doubt there's
13 places for this stuff to go, because we've been doing it
14 for a long time with batteries and florescent tubes. But
15 the idea is local jurisdictions, everybody has to get
16 together on the collection side. That's where the expense
17 is going to come from. That's tough in a month.

18 DEPUTY DIRECTOR LEE: Yes.

19 ACTING CHAIRPERSON MULÉ: And thank you, Board
20 Member Petersen.

21 To Board Member Peace, what Mr. Petersen has just
22 mentioned is, you know, for whatever reason, the
23 determination not to extend the sunset was made on January
24 10th. And so I'm sure that the informational piece that
25 you received in the mail was printed and produced before

1 that determination was made. So, you know, just in
2 defense of your local jurisdiction and your hauler, that
3 again, they were not aware what the determination was
4 going to be until January 10th.

5 Now, should we all have been better prepared?
6 Perhaps we should have. I did mention this back I believe
7 in July or August that we needed to ramp up for this, even
8 though we didn't know what determination was going to be
9 made.

10 However, we're here, and I think that our staff
11 is doing the best job that they can to respond to this in
12 a short time period. I think Howard and his staff are
13 doing a fabulous job of working with DTSC and putting
14 together the enforcement guidance document and answering
15 the questions. It's just like with the E-Waste Program.
16 There's going to be some hiccups, but we're doing the best
17 that we can to inform the public.

18 And I'm very pleased to see there are a number of
19 jurisdictions that are -- they're saying, okay, it's here.
20 We're just going to take responsibility and do what we
21 can.

22 But the bigger question is how is this going to
23 be financed. So I'm very interested. I have not had an
24 opportunity to look at the contract concept that you just
25 mentioned, but I'm looking forward to reviewing that later

1 today after this meeting. So thank you very much.

2 Any other questions or comments?

3 And I just want to let the record reflect that
4 Board Member Wiggins has now joined us. Welcome. Okay.

5 Let's get into our agenda then, Jim.

6 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

7 Committee Item B is Criteria of the Scoring
8 Criteria and Evaluation Process for the Household
9 Hazardous Waste Grant Program for Fiscal Year 2006-2007.
10 Chris Schmidle will make the staff presentation.

11 Again, I will bring the Board's attention to my
12 earlier comments again, you know, we have several very
13 unique elements this time around specifically designed to
14 address the u-waste issue. So Chris.

15 (Thereupon an overhead presentation was
16 presented as follows.)

17 MR. SCHMIDLE: Good morning, Committee and Board
18 members. As directed by Public Resources Code Section
19 47200, the Board shall expend --

20 --o0o--

21 MR. SCHMIDLE: -- funds annually from the
22 Integrated Waste Management Account to assist local
23 agencies to establish or expand local HHW collection
24 programs and public education.

25 In allocating the funds, statute directs that

1 priority be given to rural areas, small cities,
2 underserved areas, and regional programs. This year,
3 staff recommends allocating \$4.5 million for the HHW
4 grants. This amount is equal to the funding provided last
5 year, and the awards process is generally similar to that
6 used in previous cycles. These funds would be
7 appropriated during the upcoming budget cycle.

8 --o0o--

9 MR. SCHMIDLE: As Jim Lee noted in his
10 presentation, the goal of the Grant Program is to be
11 responsive to local needs. This year, the theme of the
12 HHW Grant is to help local agencies statewide cope with
13 the emerging u-waste issue. Staff recommends the HHW
14 Grant be divided into two priority areas.

15 --o0o--

16 MR. SCHMIDLE: The first proposed priority is a
17 set-aside of \$500,000 for regional coordination of
18 u-waste. This amount would grant funds to each
19 county-wide area to partially subsidize coordination
20 efforts like workshops. It will bring together all the
21 relevant stakeholders, such as local jurisdictions, air,
22 water, and waste agencies, members of the waste industry,
23 and the concerned public.

24 Some of the issues staff will encourage the
25 stakeholders to discuss are estimating the amount of

1 u-waste to be generated, the best methods for collecting
2 the materials, and opportunities for cost sharing and
3 interagency cooperation.

4 As seen in Attachment 1 to the agenda item, the
5 amount available to each county-wide area would be 7- to
6 \$15,000 based on cooperation. This is not enough to pay
7 for all the planning and coordination needed, but will
8 provide an incentive for the parties to meet and cooperate
9 on planning solutions and provide a partial subsidy to
10 small cities and rural areas.

11 This grant is not competitive. Each countywide
12 area that agrees to make a good faith effort of
13 coordination and to document their findings will be
14 funded. Staff will use a streamlined application and
15 report process to assist the jurisdictions who apply.

16 --o0o--

17 MR. SCHMIDLE: The remaining \$4 million would be
18 competitively allocated to the highest scoring proposals
19 for infrastructure projects to build new HHW collection
20 facilities, expand current facilities and equipment for
21 increased amounts of u-waste, and offer targeted u-waste
22 programs. This priority for these competitive grants is
23 similar to the traditional use of HHW grants, except some
24 extra points will be given to projects that focus on
25 u-waste.

1 --o0o--

2 MR. SCHMIDLE: There is, however, a new category
3 of project that will also be eligible for this competitive
4 funding. And that is conceptual planning and design
5 studies for facilities. Some jurisdictions have requested
6 that the Board allow more time for completing their
7 projects. And others say they don't have the funds for
8 the initial planning needed to compete for construction
9 funding. Separating facility development into planning
10 and construction phases would solve both problems.

11 --o0o--

12 MR. SCHMIDLE: Staff proposes the qualifying
13 individual jurisdictions receive a maximum of \$200,000 for
14 competing projects and that multi-jurisdiction projects be
15 allowed a maximum of \$300,000. Staff is also redesigning
16 the application forms to make them simpler to fill out.

17 --o0o--

18 MR. SCHMIDLE: Each competitive project will be
19 evaluated independently by three reviewers trained to
20 ensure consistent quality of review. There are two
21 categories of criteria used in the competitive scores of
22 application, general and program.

23 General criteria review the overall quality of
24 the project. The complete scoring system is listed in
25 Attachment 2. In the interest of time, I'll just touch on

1 some of the highlights. Due to Board comments at the
2 October 2003 discussion item, staff revised the scoring
3 criteria language and increased the number of points an
4 application can receive to give greater weight to the cost
5 effectiveness of the proposal.

6 In order to receive the points, applicants must
7 address: The need for the project, the amount of waste to
8 be collected, and the effectiveness of the proposal to
9 meet the identified needs. They must also list any cost
10 savings derived from volunteers, in-kind services, and use
11 of existing materials. The work plan and budget must also
12 be detailed, complete, and realistic. Applicants also
13 receive up to ten points for using environmentally
14 preferred purchasing practices and purchasing recycled
15 content products.

16 --o0o--

17 MR. SCHMIDLE: To ensure that we are only funding
18 the most qualified applications, proposals must attain a
19 minimum of 80 percent of the general criteria points to be
20 eligible to receive any program criteria points.
21 Qualifying projects from small and rural jurisdictions
22 will receive extra points as well as those for regional
23 serving multi-jurisdiction projects. This priority is set
24 by statute. Projects that address the issue of u-waste
25 will also be given extra program points. These priorities

1 are set annually by the Board.

2 --o0o--

3 MR. SCHMIDLE: Staff's scores will be used to
4 rank all proposals with those passing and ultimately being
5 eligible for funding needing 70 total points, including
6 both general and priority criteria.

7 Since u-waste is a statewide problem, staff
8 proposes to ensure statewide distribution of the grant
9 resources by funding the highest scoring qualifying
10 application from each county first until projects from all
11 qualifying counties are funded. This distribution method
12 will also encourage jurisdictions to submit regional
13 serving projects.

14 --o0o--

15 MR. SCHMIDLE: Staff is requesting an exemption
16 from the Board requirement for proportional north/south
17 geographic distribution of funds based on population as
18 has been approved with previous HHW grant cycles.

19 --o0o--

20 MR. SCHMIDLE: If the grant process is approved
21 today, the initial application period will begin in March
22 with funding available to jurisdictions in September.

23 --o0o--

24 MR. SCHMIDLE: Staff recommends that the
25 Committee approve Option Number 1 to approve the proposed

1 scoring criteria and evaluation process and adopt
2 Resolution 2006-29.

3 We have received one letter of support for the
4 grant from the Rural Counties Joint Powers Authority. A
5 copy has been circulated to you, and extra copies are on
6 the table in the back of the room.

7 This concludes my presentation. If you have any
8 questions, I'd be happy to answer them at this time.

9 ACTING CHAIRPERSON MULÉ: Thank you very much.

10 Do you have any questions, Board Member Petersen?

11 BOARD MEMBER PETERSEN: This is pretty extensive
12 and has to get going right away based on what just
13 happened. I have a question, and this might be for Jon.

14 The existing household hazardous collection
15 systems that we have and the mobile collection systems,
16 how extensive is the collection system in the state on
17 what percentage we're recovering, does anybody know or can
18 answer that question?

19 SUPERVISOR CORNWALL: Every county has a
20 household hazardous waste element that was part of the
21 939. Not every county has a permanent facility pretty
22 much because of the population density.

23 I would say the county that has the best
24 coverage, the most extensive coverage is San Bernardino,
25 and there are ten facilities, a large permanent facility

1 and ten satellites. Other large counties, as an example,
2 Alameda only has two or three permanent facilities. So
3 the locals suggest that siting can be a tremendous problem
4 in terms of the HHW facilities.

5 BOARD MEMBER PETERSEN: How much household
6 hazardous waste are we recovering in the state, do you
7 know percentage-wise?

8 SUPERVISOR CORNWALL: I believe we're recovering
9 less than 5 percent of the population participate.

10 BOARD MEMBER PETERSEN: So this is a public
11 education campaign more than anything else, once we get
12 enough facilities up and make it as convenient as
13 possible?

14 SUPERVISOR CORNWALL: Well, to the extent the
15 locals will say that success would cause them to be
16 overwhelmed. Because of the size of the facilities and
17 the budgets they have, they aren't doing a lot of
18 advertising right now because they couldn't accept a whole
19 lot more.

20 The collection costs and the sites seem to be
21 less of a problem than does the handling and management.
22 You saw the \$40 million for carting it away. What the
23 locals say that they could accept at the facility -- but
24 someone needs to take it away more often. I think the
25 convenience issue, we've had some letters recently from

1 constituents saying -- we got one yesterday saying I'm not
2 going to drive 80 miles to take my two vials of mercury.
3 And so I think the convenience -- we've certainly seen
4 with the certified collection centers for the Used Oil
5 Program where we have 2600 around the state, and we try to
6 have them within every three miles. That's dependant on a
7 partnership with the private sector and retail operators.

8 BOARD MEMBER PETERSEN: So we have shared
9 responsibilities we have to fall back on to make this
10 really happen.

11 SUPERVISOR CORNWALL: I believe that's true, yes.

12 DEPUTY DIRECTOR LEE: Exactly, Board Member
13 Petersen. Just to employ my previous remarks, I don't
14 think the long term solution to this is the Board
15 continuing to finance HHW facilities --

16 BOARD MEMBER PETERSEN: Obviously.

17 DEPUTY DIRECTOR LEE: -- in perpetuity. There
18 has to be -- the manufacturers have to look at making the
19 products less hazardous, and there has to be cooperation
20 with the retailers and manufacturers to help with the
21 disposal problem.

22 BOARD MEMBER PETERSEN: Our facilitation based on
23 what we have right now is education the best we can put it
24 out there as part of our program right now; right? Okay.
25 Thank you.

1 ACTING CHAIRPERSON MULÉ: Board Member Brown.

2 BOARD MEMBER BROWN: I have a question regarding
3 obviously we need to get these facilities up and running
4 as quickly as possible. How are you going to determine
5 distribution of the \$4 million between those who apply for
6 planning versus construction? Is there a weighted
7 differentiation between those who are going to get the
8 construction going quicker?

9 SUPERVISOR CORNWALL: Essentially, we look at the
10 criteria. And the projects are weighted based on need and
11 who establishes the best definitions of need, what their
12 work plan is. So we evaluate each project independently.
13 That's the way the scoring process is that's set up by the
14 Board, so you don't compare one against the other. You
15 look at, do they have a good solid plan? Is there need in
16 the country? And they're ranked competitively based on
17 that.

18 BOARD MEMBER BROWN: So if you get \$4 million
19 worth of planning, we aren't going to have any
20 construction in this cycle?

21 SUPERVISOR CORNWALL: Frankly, I don't think we
22 will get \$4 million worth of planning. But if you think
23 about a typical capital outlay project usually takes five
24 years from conception to construction. So even when we do
25 have construction projects in two-and-a-half years, it's

1 optimistic to get the facility up and running.

2 Many of the problems stem from permitting issues
3 at the local level. It's not really the construction.
4 Ends up being the kind of not-in-my-backyard syndrome, et
5 cetera. So the issues at the local level tend to vary
6 significantly. So when we look at even the proposed work
7 plan for one jurisdiction, the other jurisdiction may take
8 a year longer because of local permitting issues and how
9 the fire marshal interprets things. So it's a very
10 complicated process, and I think somewhat we look to the
11 locals to be realistic in proposing to us whether they
12 need that chunk of time to really get the planning done
13 before they start construction.

14 ACTING CHAIRPERSON MULÉ: Are there any other
15 questions?

16 Board Member Peace.

17 COMMITTEE MEMBER PEACE: You're recommending
18 against the geographical distribution of funds. I have to
19 say, I don't think I like this. You're going to need to
20 convince me otherwise.

21 The fees that are collected to fund these
22 programs are collected statewide. We need to make sure
23 that they're equally, equitably distributed statewide. If
24 you look at Caltrans contracts or Water projects or bonds,
25 they're all required to be, you know, north/south kind of

1 splits.

2 DEPUTY DIRECTOR LEE: I think again the rationale
3 we put forth there is we're trying to award the best
4 projects out there, regardless of their geographic
5 location. We believe that it has merit distributing the
6 projects. As we've discussed here, where before we would
7 build multiple projects in one area, we will attempt to
8 build projects in all. We think that is a more
9 meritorious distribution than strictly going on the basis
10 of population.

11 With that said, again, if it's the will of the
12 Board that we maintain the north/south split, then we will
13 do so. But that would not be staff's recommendation.

14 SUPERVISOR CORNWALL: Let me also add, Ms. Peace,
15 that the statute directs us in this instance to give
16 priority to rural regional programs and small cities. In
17 our other grant programs, in the Caltrans program, et
18 cetera, I don't believe that's what statute dictates. So
19 we have always asked for this exemption based on the
20 requirements of the statute.

21 COMMITTEE MEMBER PEACE: In this program only?

22 SUPERVISOR CORNWALL: Yes.

23 COMMITTEE MEMBER PEACE: Thank you.

24 ACTING CHAIRPERSON MULÉ: Board Member Brown.

25 BOARD MEMBER BROWN: I was going to also -- it

1 requires that one grant per county; isn't that correct?

2 So would we be able to -- even if we had the 60/40 split,
3 would we be able to achieve that with the stipulation one
4 grant per county?

5 SUPERVISOR CORNWALL: Well, we're looking at one
6 grant per county for the small coordination grants. In
7 the competitive grants, what Chris was referring to, is
8 that rather than fund three projects in one county, we'd
9 fund all passing projects to spread them out around the
10 state and then go back to fund the second project.

11 In some years, this wouldn't alter the
12 distribution of the funding. In other words, in other
13 years, it may. But we think in terms of ensuring the
14 broad coverage, we think it's important to have the
15 projects spread out than having multiple projects in one
16 county.

17 ACTING CHAIRPERSON MULÉ: Very good. Thank you.
18 Are there any other questions?

19 I just have one quick question and then we do
20 have one speaker who signed up.

21 On the U-Waste Grants, the 500,000, how is that
22 determined? We spend 500,000 on u-waste and the other 4
23 million on --

24 SUPERVISOR CORNWALL: The dollar amount?

25 ACTING CHAIRPERSON MULÉ: Yes.

1 SUPERVISOR CORNWALL: We had a number of
2 deliberations amongst our staff in terms of, you know,
3 what should the priorities be. We felt there was a
4 significant priority for building some of these
5 facilities, so we needed to have a good amount of money
6 available for that.

7 As Chris explained, we didn't endeavor to fund
8 all of the planning efforts. But some of the
9 jurisdictions indicated they hadn't gotten as much
10 support, say, San Diego from Greg Cox, to really get some
11 of the attention of the local elected officials. And this
12 would enable them to start a dialogue and begin a process
13 by saying there's a little bit of money on the table from
14 the state.

15 So we took a look at varying amounts and did a
16 lot of math and looked at what kind of money could we give
17 and settled on this as being a pretty reasonable level to
18 give seed money to every county, while not compromising
19 the construction of facilities.

20 CHAIRPERSON PETERSEN: Thank you.

21 We do have one speaker, Mr. John Cupps.

22 MR. CUPPS: Good morning, Madam Chair, members of
23 the Committee. For the record, my name is John Cupps.
24 I'm a consultant to the San Luis Obispo Integrated Waste
25 Management Authority. The Authority is a regional agency

1 comprised of the county of San Luis Obispo and all of the
2 incorporated cities within the county. Amongst other
3 functions that the Authority performs is the operation of
4 five household hazardous waste collection facilities.

5 We certainly support the staff recommendation on
6 this item. The grant moneys are critical to us in terms
7 of being able to implement these programs. They will
8 certainly help in terms of funding needed expansions of
9 the infrastructure at the existing facilities. But in
10 reality, that's just a small piece of the problem. The
11 real costs are going to be the ongoing operational costs
12 of not so much collecting the materials, because
13 essentially we'll just be operating, you know, a
14 collection facility where people can bring these wastes.
15 The real costs are going to come in in terms of the costs
16 to us and what we will have to pay our contractor to get
17 rid of the funds.

18 We had conservatively estimated that in order to
19 fully implement the program, which of course frankly is
20 not going to happen in the short term, we'll do what we
21 can. But we're not going to necessarily advertise and
22 perhaps not make it as convenient as we would like to
23 simply because we don't have the resources.

24 But that \$4 million, just to put it in context,
25 that we estimated that it would cost for full compliance,

1 our current HHW budget is about \$500,000 on an annual
2 basis. So you're talking about a fairly dramatic impact.
3 I guess I'd also like to point out that our funding comes
4 from a \$3 tipping fee surcharge which actually provides
5 the budget for all of our operations. The \$500,000 comes
6 out of that. Although I haven't done the exact amount, if
7 you take the \$4 million that we've estimated full
8 compliance would cost, if we were to try to fund that on
9 the basis of a tipping fee surcharge, it would be an
10 increase of almost \$20 a ton, which is pretty dramatic.

11 The other issue, and this problem is going to be
12 much more immediate, our facilities -- for the very
13 reasons these are not necessarily the easiest facilities
14 to site. Three of our five facilities are located at
15 permitted solid waste facilities. And guess what? All of
16 those facilities have permit limits, including traffic
17 limits. And to the extent that we advertise and we bring
18 in more traffic to those facilities, all of a sudden those
19 facilities are going to find themselves running right into
20 those permit limits. So you might see us trying to
21 declare an emergency and seek some type of waiver from
22 those permits. Thank you.

23 ACTING CHAIRPERSON MULÉ: Thank you, Mr. Cupps.

24 Are there any other questions or comments on this
25 item? Do I have a motion?

1 BOARD MEMBER PETERSEN: I move Resolution

2 2006-29.

3 ACTING CHAIRPERSON MULÉ: And I second that.

4 Donnell, would you please call the roll?

5 EXECUTIVE ASSISTANT DUCLO: Petersen?

6 BOARD MEMBER PETERSEN: Aye.

7 EXECUTIVE ASSISTANT DUCLO: Mulé?

8 ACTING CHAIRPERSON MULÉ: Aye.

9 And that passes.

10 And now if we are approving that dollar amount,

11 that goes on fiscal consent; correct? Okay. This item

12 will go on fiscal consent.

13 COMMITTEE MEMBER PEACE: What I understand is we

14 weren't approving the funding. I know it says that --

15 ACTING CHAIRPERSON MULÉ: We're not approving the

16 funding.

17 DEPUTY DIRECTOR LEE: This is just a criteria

18 item.

19 COMMITTEE MEMBER PEACE: It does make it unclear,

20 because on page 11 it does say amount to fund the item.

21 That should be zero.

22 DEPUTY DIRECTOR LEE: I think we did that, Board

23 Member Peace, because that's the protocol for dealing with

24 that. But, again, this is not to approve the actual

25 funding. That won't come until the award in August. This

1 is just the criteria item.

2 ACTING CHAIRPERSON MULÉ: August?

3 SUPERVISOR CORNWALL: The reason being is that we
4 make our decision in advance. This money is appropriated
5 by the Legislature during the budgetary process. We
6 anticipate maybe we'll have a final budget in August. So
7 we will make our decision before, you know, the budget is
8 signed in hopes we can hit the ground running and get the
9 grants out as quickly as possible.

10 ACTING CHAIRPERSON MULÉ: Good planning. Thank
11 you very much. This item will go on consent.

12 Okay. Our next item is Committee Item C.

13 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.
14 Committee Item C is Consideration of the Scoring Criteria
15 and Evaluation Process for the Used Oil Opportunity Grant
16 Program 8th Cycle 2005-06. Angela Parker will make the
17 staff presentation.

18 And just for the Board's notice, this is
19 something that we were asked to do as part of our Used Oil
20 allocation presentation at the Board's approval last
21 month, bringing forward this item. So Angela, will you
22 give us the background, please.

23 MS. PARKER: Thank you. Good morning, Madam
24 Chair and Board members. I'm Angela Parker, a Grant
25 Manager with the Used Oil Household Hazardous Waste

1 Branch, and I will be presenting the agenda item for
2 Consideration of the Scoring Criteria and Evaluation
3 Process for Solicitation of the Used Oil Opportunity Grant
4 Program, 8th Cycle, Fiscal Year 2005-2006.

5 (Thereupon an overhead presentation was
6 presented as follows.)

7 MS. PARKER: The purpose of the Opportunity Grant
8 as well as the funding level was specified by the
9 Legislature as part of the California Oil Recycling
10 Enhancement Act, or CORE Act, which was passed in 1991.

11 The purpose was to prevent the improper disposal
12 of used oil and thereby to prevent damage to the
13 environment and threats to public health. To implement
14 this program, the Legislature charged the Board with the
15 following four items:

16 1. Implementing recycling incentive program.
17 This is accomplished by offering customers who bring in
18 the recycled oil 16 cents per gallon.

19 2. Establishing collection centers statewide.
20 We currently have over 2600 collection centers statewide
21 mostly at auto parts stores to encourage recycling of used
22 oil.

23 3. Implementing a grants program. Our branch
24 administers four Oil Grant Programs, including the annual
25 \$10 million Block Grant Program and the Opportunity Grant,

1 which we are presenting today.

2 4. We promote statewide education and outreach
3 activities in collaboration with the Office of Public
4 Affairs and Mr. Jon Myers.

5 --o0o--

6 MS. PARKER: As was presented last month, statute
7 is very specific about spelling out not only what elements
8 are in the program, but it also sets forth how the revenue
9 of the fund is to be allocated. For our purposes today,
10 we are concerned with the fourth category, Competitive
11 Grants, which is highlighted in yellow on the slide.
12 Statute dictates 40 percent of the funds in this category
13 be allocated to the Opportunity Grant. During our
14 allocation item last month, the Board approved the
15 allocation of \$1.6 million.

16 --o0o--

17 MS. PARKER: As directed by statute, Opportunity
18 Grants are competitive grants available to local
19 governments to provide supplemental collection
20 opportunities to enhance local used oil collection
21 programs. Local governments are the only eligible
22 applicants. Funding must be used to enhance already
23 established Used Oil Block Grant Programs and should not
24 be proposed for ongoing operational or maintenance costs
25 that cannot be sustained by the annual Block Grant

1 funding.

2 --o0o--

3 MS. PARKER: As noted earlier, the Board
4 allocated 1.6 million last month from the Used Oil
5 Recycling Fund for these grants. For this cycle, staff
6 proposes that a single jurisdiction can request up to
7 \$150,000 for regional applicants covering more than one
8 city and/or county can request up to \$300,000. The grant
9 term is a full three years as used oil funds are
10 continuously appropriated.

11 --o0o--

12 MS. PARKER: The competitive grants allow the
13 Board to focus grantee efforts on high priority areas to
14 increase used oil and filter collections. Based on staff
15 analysis of grantee collection data, we recommend the
16 following four priority program areas for the 8th cycle to
17 diversity the program's used oil collection opportunities
18 and fill gaps.

19 First, oil filter collection. Evaluation shows
20 that 90 percent of do-it-yourselfer oil filters are thrown
21 away. Funds will enable grantees to purchase equipment
22 and conduct events based on other grantee models to
23 increase filter recycling.

24 Marina. Currently only about a third of marinas
25 have used oil collection facilities. Projects will

1 construct oil and bilge pad collection facilities similar
2 to other successful projects.

3 Curbside. Sixty percent of feasible communities
4 already have a curbside collection program in place for
5 other recyclables, such as paper and plastics. Having a
6 used oil curbside program would increase the community's
7 level of collection flexibility and convenience.

8 Used oil collection facilities. This could
9 include modifications or expansion of facilities to
10 optimize collection capabilities for used oil.

11 --o0o--

12 MS. PARKER: The two-step scoring process. The
13 two-step process is virtually the same as earlier outlined
14 by Chris for the HHW Grants with the first step being the
15 general criteria, including green procurement as well as
16 need, work plan, evaluation, and budget, et cetera.

17 Proposals must attain a minimum of 80 percent or
18 72 points of the general review criteria points to be
19 eligible to receive any bonus points for the program
20 criteria. This will help to ensure that we are only
21 funding the best conceived and planned project. In the
22 event there is insufficient funding for all qualified
23 applicants, the highest ranked proposals will have funding
24 priority.

25 --o0o--

1 MS. PARKER: Step one, the general review
2 criteria. For this cycle, the general review criteria are
3 more closely linked to the applicant's Block Grant
4 Programs than ever before. In August, grantees submitted
5 their annual work plans. The application will ask them to
6 document need based on a gap analysis of that work plan
7 and review of their collection data compared with other
8 programs statewide. In addition, the criteria need
9 section is scored based on the applicant's need for this
10 grant in light of other available funding sources, such as
11 open Used Oil Block Grants.

12 Applicants will also be asked to provide evidence
13 of the proposed activities and will be funded after the
14 close of the grant term with other sources of funds
15 included, but not limited, to the Block Grant.

16 To receive points for cost effectiveness,
17 applicants will need to describe their projects in
18 relation to quantity, location, source, and type of waste
19 to be collected based on their own baseline data and their
20 realistic results that could be expected based on pilot
21 projects.

22 --o0o--

23 MS. PARKER: Step two, program criteria. Once
24 the applications have received a passing grade on general
25 criteria, they can receive the ten bonus points for one of

1 the four priorities. Applicants are directed to select
2 only one of the four options if they are seeking priority
3 points.

4 Projects that do not receive the program priority
5 or bonus points will still be eligible for funding if they
6 pass the general criteria. Projects will be recommended
7 for funding in rank order based on the independent review.

8 --o0o--

9 MS. PARKER: As was the case in the last
10 two years, staff proposes a 39 month grant term for the
11 8th cycle of the Opportunity Grant that includes a full
12 three-year grant term with a grace period of three months
13 to return the executed grant agreement. This allows time
14 to complete the administrative requirements without
15 shorting the period in which the projects could be
16 performed.

17 We are able to recommend this because used oil
18 grants are not limited to a three fiscal year term as our
19 other grant programs at the Board due to the continuous
20 appropriation of the fund.

21 Staff also requests a reduction to ten points for
22 environmentally preferable practice recycled content
23 purchasing policy as has been approved in other grants.

24 --o0o--

25 MS. PARKER: The proposed time line. Awards for

1 the cycle must be made in June so that the funds can be
2 encumbered before the end of the year. The applications
3 will be available late this month with the due date of
4 March 30th.

5 --o0o--

6 MS. PARKER: Staff recommends the Board approve
7 the scoring criteria and evaluation process Option 1 and
8 adopt Resolution 2006-30.

9 Thank you. If there are any questions, staff
10 would be happy to answer them at this time.

11 ACTING CHAIRPERSON MULÉ: Thank you very much,
12 Angela.

13 Are there any questions for staff?

14 Board Member Petersen.

15 BOARD MEMBER PETERSEN: When we set up the
16 program, the programs are set up, and when a person goes
17 to the waste oil -- the facility, let's say they go to
18 Jiffy Lube and they change the oil; is that correct? And
19 then they offset and haul that stuff away; correct?

20 SUPERVISOR CORNWALL: Yes.

21 BOARD MEMBER PETERSEN: Okay. Do we encourage
22 those service providers information on where they can get
23 environmental information on products and what to do with
24 them?

25 SUPERVISOR CORNWALL: We haven't -- you mean on

1 other products that they should be selling in their store
2 like --

3 BOARD MEMBER PETERSEN: Not just that. But other
4 products, such as -- I know we're dealing in waste oil,
5 but other environmental products like where you can get
6 environmental products that don't contain VOCs and are
7 non-toxic. Is that something have we thought about?

8 SUPERVISOR CORNWALL: It's certainly a great
9 idea. We haven't focused on that. It's something that
10 when the locals, you know, visit them, they might make
11 them aware of. Usually when we're visiting -- we work
12 with the staff and the management. I'm not sure if the
13 decisions on product procurement are made at the local
14 retail store or if it's more of a corporate thing. I'm
15 not sure how the decisions are made. It's certainly
16 something worth investigating and could be tied into what
17 other divisions are doing relative to green procurement.

18 BOARD MEMBER PETERSEN: Great.

19 DEPUTY DIRECTOR LEE: Mr. Petersen, I want to
20 make sure I get clear on that point. Are you saying you'd
21 like us to do more with regards to tying in the used oil
22 with the other HHW initiatives that we have?

23 BOARD MEMBER PETERSEN: Well, I'm trying to --
24 biggest bang for the buck and get everyone to cooperate
25 one way or another, either a household hazardous waste

1 collection facility or a mobile or the ones that you go to
2 the Jiffy Lubes or whatever. It's a cohesive
3 communication plan about what is household hazardous waste
4 and what do you do with waste oil. What do you do with
5 filters? A cohesive message that all of them could
6 utilize and we could coordinate through the state with our
7 program.

8 How do we get out there to tell people about
9 what's going on? We only have so much resources. And
10 we're not making much headway here on the filters and
11 certainly only recovering 60 percent of the oil in the
12 state. So I'm just brainstorming with you. That's what
13 I'm doing.

14 DEPUTY DIRECTOR LEE: I appreciate that, sir.
15 The Used Oil Fund, like I say, it is a household hazardous
16 waste. And, indeed, we look for synergies between the two
17 programs. You know, we have our annual conference, used
18 oil, HHW, you know, are now married.

19 We allow construction of, indeed, used oil
20 collection facilities with the understanding that other
21 waste streams, you know, can be accommodated. So there's
22 already a tie in.

23 With regards to some of the -- like the Jiffy
24 Lube example specifically. The situation there is they're
25 involved with the program because of the fact that not

1 only do we pay them for the oil they take in from the
2 public, we also pay them for the oil they collect through
3 the normal oil change process. In the past, that's
4 something that, you know, was kind of an artifact of the
5 way the legislation originally was passed. But we tried
6 to kind of utilize some of the Jiffy Lube type places to
7 get our re-refined oil -- used re-refined oil message out,
8 you know, we find again a lot of those establishments have
9 tie-ins with the pennzoil people or the other
10 manufacturers. So, again, they weren't very receptive,
11 you know, to our entreaties in that area.

12 So I guess what I want to say is we always look
13 for areas to look for synergies between the particular
14 programs. But I don't think there's an immediate one in
15 that particular situation.

16 SUPERVISOR CORNWALL: Let me also add that we've
17 worked with DTSC's Pollution Prevention Unit, and there's
18 a green auto shop program where they work on pollution
19 prevention strategies, so we've worked with them on that
20 with some of these. But, again, it's a pretty small
21 program in terms of the reach that it has. But we
22 certainly, as Jim said, do try to look for those
23 opportunities.

24 COMMITTEE MEMBER PETERSEN: Thank you.

25 COMMITTEE MEMBER PEACE: That's why I brought up

1 that public education is so important too, because people
2 need to be educated. But not just once. They need to be
3 continually educated from all directions.

4 I know down in San Diego Edco has a fabulous
5 public relations department. They put out a newsletter
6 four times a year. And it always has what you do with
7 every single thing. It will tell you the household
8 hazardous waste, what you do with it, where you take it,
9 what you do with your oil. I mean, it just covers
10 everything.

11 That's why I mentioned from the newsletter that I
12 got, I might have gotten it -- it might have been, you
13 know, up for print or whatever before the exemption date
14 of January 9th. But I got it on January 6th. It seems to
15 me if they would have had more coordination, they would
16 have said, well, maybe we should wait sending this out
17 until, you know, until we see what happens on the 9th.
18 And then if they don't approve -- the exemption is not
19 approved, they had to start educating people about u-waste
20 and wait a few more weeks, then we'll put out the
21 newsletter and have that in there about what to do with
22 the u-waste. Because now my waste hauler will not send me
23 anything again for at least three more months. So for
24 three more months, I will not have anything for my hauler
25 on what to do with u-waste.

1 So I'm just saying that we need to encourage
2 everybody that we can encourage to just keep the public
3 continually educated on all these things. Like I say, we
4 don't have the funds to do it ourselves, so we need to
5 rely on every way we can to educate the public,
6 continually educate them.

7 DEPUTY DIRECTOR LEE: I appreciate your comments
8 in that regard, Ms. Peace. And I want to point out to the
9 Board too that another area of where we look for synergies
10 between the programs again in the Used Oil Program, all
11 the jurisdictions get Block Grants, entitlement funding.
12 It's also permissible pursuant to Board direction a few
13 years ago to allow them to use a portion of the moneys for
14 storm water pollution prevention efforts. Because, again,
15 storm water has an oil component. There's a lot of other
16 contaminants in oil too which are discussed as part of the
17 advertising and outreach on this particular area. But
18 this is another area where the Board has encouraged, you
19 know, synergies to use the used oil to reach out to try to
20 handle other pollution issues as well.

21 BOARD MEMBER PETERSEN: Jim, have we ever
22 considered or has it been talked about we have a recycled
23 content law for motor oil? And especially for let's say
24 the state usage?

25 SUPERVISOR CORNWALL: I guess we're dealing with

1 that on a few fronts. Re-refined oil is on the state
2 contract. So that means that the procurement price for
3 state agencies as well as local governments they can
4 procure off that contract.

5 It's on par, so that's available. As part of the
6 larger effort in the green procurement project and the
7 Ogilvy tool kit, I think re-refined oil is going to be
8 included, can be included in that.

9 We're also doing a research project right now
10 with Lawrence Livermore on the blending of the recycled
11 oil. So we're looking at a number of fronts. When we get
12 the results, we'll present those. And the Board can
13 decide what direction it wants to move from there.

14 BOARD MEMBER PETERSEN: Have you talked to
15 Evergreen Oil and those guys about -- all the time --

16 SUPERVISOR CORNWALL: Yes. We visited there.
17 And Chair Mulé, was with us there, or Acting Chair,
18 Committee Chair.

19 DEPUTY DIRECTOR LEE: I just want to add there
20 was a grant at one time to Evergreen Oil. We're trying to
21 encourage re-refined oil use. We're finding that we're
22 having our best efforts, our best luck in working with the
23 state fleets.

24 You know, Bonnie mentioned the state contract.
25 I'm very optimistic -- cautiously optimistic about this

1 other program Bonnie mentioned, the contract concept
2 looked at the blending of the waste oil back in with the
3 crude oil stream. Again, it's an offshoot of this
4 manufacturer responsibility. I think it's something that
5 again long term I think is something that conceptually
6 something that needs --

7 BOARD MEMBER PETERSEN: Technically, it's
8 feasible to do.

9 DEPUTY DIRECTOR LEE: It comes down to the cost.
10 Obviously, the manufacturers don't want to have to strip
11 out the heavy metals and stuff. That's an extra cost they
12 bear.

13 BOARD MEMBER PETERSEN: ARB's banned the use of
14 the waste oil in bunker fuel; correct?

15 DEPUTY DIRECTOR LEE: I don't think it's been
16 banned, by the handwriting may be on the wall down the
17 road.

18 BOARD MEMBER PETERSEN: Okay. Thank you.

19 I'd like to move Resolution 2006-30.

20 ACTING CHAIRPERSON MULÉ: And I'll second that.

21 And we'll substitute the previous roll for that.
22 And this can go on consent as well.

23 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

24 ACTING CHAIRPERSON MULÉ: Next item, Mr. Lee.

25 DEPUTY DIRECTOR LEE: Item D is Consideration of

1 Revisions to the Eligibility Criteria Priority Categories
2 and Evaluation Process for the Targeted Rubberized Asphalt
3 Concrete Incentive Grant Program, Fiscal Year 2005-06 and
4 2006-07.

5 Madam Chair, this is an effort that was an
6 outgrowth of the Board's discussion and approval of the
7 targeted RAC Grants. Last month they asked us to consider
8 and bring back consideration of basically a continuous
9 application and approval process for this grant program.
10 Heretofore, the application was based on quarterly
11 applications and submittals and awards before the Board.
12 So Nate Gauff is going to tell you about that particular
13 program. And then I'll also mention at this time again
14 the following item -- well, I'll make that comment after
15 Nate concludes his initial discussion.

16 ACTING CHAIRPERSON MULÉ: Thank you, Nate.

17 MR. GAUFF: Good morning. I'm Nate Gauff with
18 the Special Waste Division. As usual, Jim steals all my
19 thunder. This is a pretty short and sweet item.

20 In September, the Board approved the eligibility
21 criteria priority categories and evaluation process for
22 this program, at which time, as Jim said, we did propose a
23 quarterly award cycle for the grants. And pursuant to
24 direction we got last month at the Special Waste
25 Committee, we are bringing this back looking for a monthly

1 award for the targeted rubberized asphalt concrete
2 incentive grants.

3 And with that, staff recommends adoption of
4 Resolution 2006-32.

5 Are there any questions?

6 ACTING CHAIRPERSON MULÉ: No. I have no
7 questions. I'm just really pleased that we're going to be
8 accepting these applications and awarding them basically
9 on a continuous basis. So thank you.

10 BOARD MEMBER PETERSEN: I'll move Resolution
11 2006-32.

12 ACTING CHAIRPERSON MULÉ: And I second that. I'm
13 sorry, we do have a speaker. I'm sorry, Terry. I thought
14 you were speaking on a future item.

15 MR. LEVEILLE: I had to come up before you made
16 the move.

17 Committee members, Board members, welcome,
18 Ms. Brown. I'm Terry Leveille, TL & Associates. And I've
19 been looking over -- I've been going ahead of you. I've
20 been looking over the reallocation numbers. And I see
21 there's pretty insignificant numbers at this point. And I
22 know there will be more Tire Fund money available by April
23 or May, whenever you decide or if you decide to move that
24 final decision to those later months in the fiscal year.

25 I do know that a significant amount of money is

1 going to asphalt rubber grant programs this year. And I
2 think that's fine. I'm strongly supportive of the asphalt
3 rubber program, the RAC programs. This one in particular,
4 though, has over \$3 million. And I'm just wondering if we
5 go month by month, which is fine, to take -- I'm wondering
6 that if at the end of April we do not see there's a
7 significant rush to this money, there will be a lot of
8 roll-over money available or a lot of unspent money
9 available. And if Nate and the program can't find enough
10 people to participate in this program, we're going to lose
11 that money for the fiscal year.

12 My suggestion would be maybe rather than to make
13 it monthly until June, make it monthly until April or May
14 where you got -- where then you will have the opportunity
15 to be able to roll over any unspent money into the
16 reallocation process. There's a wide variety of very
17 positive programs in that reallocation process. You know,
18 there's a couple million dollars in unspent money for the
19 tire-derived products that are going to local governments
20 and school districts. There's two in particular that
21 staff has identified from stakeholders that have made some
22 excellent suggestions for stakeholder programs, one of
23 which I've been strongly supportive of and that's the
24 retread industry one.

25 And I don't know whether it would be May or April

1 would be the best month to look at it. But before you
2 make that decision, I think we need to take a look at that
3 moving it all the way to June. If you wait until June,
4 there's no way any unspent money can be rolled over to
5 other programs.

6 ACTING CHAIRPERSON MULÉ: Well, I do know that
7 we've had quite a bit of discussion on this. And my
8 understanding -- and, staff, please jump in. My
9 understanding is that we're trying to accommodate the
10 local jurisdictions because there has been such a high
11 level of interest in the RAC Grant Program. I know when I
12 was at the League of City conferences last October, I
13 mean, there were at least a half a dozen officials from,
14 you know, various jurisdictions that expressed an
15 interest. And my understanding, Terry, is that we're
16 trying to accommodate their calendars and trying to --
17 because, again, if we do this quarterly, then we can only
18 allocate dollars, you know, up to a certain date and then
19 that's it. So we're trying to get -- we're trying to get
20 the money out. That's the whole idea.

21 MR. LEVEILLE: I think it's good that you're
22 going to a monthly basis. My concern is that you go
23 monthly all the way to June, whereby if there's unspent
24 money -- you're talking about \$5 million. And you have
25 the Kuehl Grant Program.

1 ACTING CHAIRPERSON MULÉ: Well, staff, do you
2 want to add to that, Jim?

3 DEPUTY DIRECTOR LEE: I'd like to try to address
4 that. Again, I think you correctly noted the reason we're
5 proposing the monthly is to try to get the money on the
6 street to accommodate the expected demand by the local
7 jurisdictions.

8 I understand Terry's concern about not wanting to
9 contravene or, you know, May reallocation process. But I
10 think that can still be accommodated. We can still have
11 our reallocation in May and, you know, make some of the
12 awards conditional on what transpires in June when we have
13 the last iteration of the RAC Grant awards. So I think
14 that staff doesn't see any pressing need to say we're only
15 going to do this through April.

16 MR. LEVEILLE: Once again -- excuse me, Madam
17 Chair. Once again, my concern is that if we wait until
18 June, there just won't be enough time to be able to move
19 that money into the reallocation process. And then from
20 that reallocation process develop the -- especially if
21 there's contracts, develop an RFP for the contract or
22 grants to be able to develop, you know, to process that.
23 That's my only concern.

24 And I mean, maybe May is the best. But it just
25 seems like monthly, if you go all the way to June -- and

1 I'll defer to staff on their expertise on being able to --
2 if there is maybe a million or 2 million available in
3 June, if they could move that into the reallocation
4 project, fine. I wouldn't have raised this issue. I'm
5 just concerned there might not be time.

6 ACTING CHAIRPERSON MULÉ: Thank you very much.
7 Board Member Brown.

8 BOARD MEMBER BROWN: Jim, just a quick question.
9 Will you know by May the anticipated need in this
10 program for the June cycle, so that we could look at
11 reallocation at the June Board meeting prior to the
12 expiration of funds?

13 MR. GAUFF: Nate Gauff once again.

14 I can't say we'll know definitively what the need
15 will be for June. We'll have an idea based on how much
16 remaining money is available. But, you know, let's say we
17 had a million dollars left, and we thought we could get it
18 out. And two applications come in and we only give out
19 400,000. I mean, we can go with an estimate of what we
20 think the need will be, but what it actually ends up being
21 we won't know.

22 You know, Terry's idea may be something that we
23 might consider, only because when we originally went for a
24 June award, it was because we were looking at a quarterly
25 cycle. And that would give us the maximum amount of time

1 to get two quarterly cycles in. If we go monthly, we'll
2 have at least three more award cycles, not counting this
3 month, but March, April, and May we'd have three award
4 cycles. So we're going to have an extra award cycle in
5 there since. And at that point, we might have a better
6 idea of what we are looking at for the remaining money.

7 So something we might consider. I think we'll
8 have to mull it over a little bit more. This is something
9 that just came up recently, so we'd like to talk more
10 about it.

11 WASTE TIRE DIVERSION MANAGER DELMAGE: Madam
12 Chair, Mitch Delmage, Manager of the Waste Tire Program.

13 If I might add, for the last several years we've
14 identified the emergency fund of a million dollars as
15 being part of this reallocation process in May with the
16 understanding that if there was an emergency that
17 transpired before midnight at the end of June, whatever
18 was on the list wouldn't get funded.

19 This is a very similar process. We can
20 anticipate in May what we think will be available. And if
21 it's not available or if we need more, we can make
22 adjustments on whatever the bottom priority items are.

23 CHAIRPERSON PETERSEN: So are we going to let our
24 motion stand?

25 BOARD MEMBER PETERSEN: I just have one question.

1 So I'm new here, so I'm trying to figure this all out. At
2 the end of the day, if we don't allocate those funds,
3 where do those funds go?

4 DEPUTY DIRECTOR LEE: They revert back to the
5 Tire Fund. And since they are outside the scope of our
6 expenditure authority, you know, we cannot utilize them.
7 The Board cannot utilize them.

8 BOARD MEMBER PETERSEN: So it goes into limbo?

9 ACTING CHAIRPERSON MULÉ: Technically, we can
10 utilize them. It's just a difficult process.

11 DEPUTY DIRECTOR LEE: You're saying if there's
12 money that we have in our current year allocation that is
13 not encumbered before June 30th, then those funds revert
14 back to the Tire Fund. And then they are subject to
15 subsequent redistribution through the Budget Act. It's
16 not like the Used Oil Fund where every dollar is
17 continuously appropriated. We can only spend what the
18 Budget Act allows for in a given year. So if we don't get
19 it on the street by June 30th, it goes back in the fund.

20 STAFF COUNSEL ARMSTRONG: Holly Armstrong from
21 the Legal Office.

22 Even if the bottom priority were a contract where
23 an RFP or RFQ had to be put out, that can be done
24 contingent on the availability of funding. So if it were
25 a situation where the funding were the emergency fund or

1 the RAC funds and the funding were not there, then the
2 RFP, the contract associated with the RFP just would not
3 be let.

4 MR. LEVEILLE: Just one final thing. I was just
5 trying to make it easier so there wouldn't be any question
6 by just making a monthly until May as opposed to monthly
7 until June. Cities, counties, local governments, they can
8 wait an extra month until the next fiscal year, because
9 you're going to have another program with a significant
10 amount of money next fiscal year. It would seem that it
11 would just make it easier so you wouldn't have these
12 uncertainties. And then staff could better prepare for
13 the reallocation item that may come up in May, and it just
14 seemed it would make it a little clearer.

15 ACTING CHAIRPERSON MULE: We do clearly
16 understand your perspective on it. But since this is a
17 new process, I think we should just proceed with our
18 existing process and move forward and see where we are.
19 And then we can always adjust it accordingly next year if
20 we feel we need to do so.

21 BOARD MEMBER PETERSEN: So can I just go ahead
22 and --

23 ACTING CHAIRPERSON MULE: There was a motion, and
24 there is a second I understand. And so we can substitute
25 the previous roll.

1 BOARD MEMBER PETERSEN: Great.

2 ACTING CHAIRPERSON MULÉ: And put this on consent
3 agenda.

4 And Item 4 has been pulled; correct?

5 DEPUTY DIRECTOR LEE: That is correct. Item 4,
6 which is the Consideration of Awards, we were anticipating
7 we had one application we were going to recommend to the
8 Board for approval this month. There was apparently some
9 last minute difficulties with that. Since we have no
10 items to put forward, we request the Committee pull that
11 item.

12 ACTING CHAIRPERSON MULÉ: We will do that then.

13 The next item is Committee Item F.

14 DEPUTY DIRECTOR LEE: Committee Item F is
15 Consideration of the Grant Awards for the Tire Derived
16 Product Grant Program, Fiscal Year 2005-06. We're
17 particularly pleased to bring this item forward for the
18 Board. It represents a change in direction that the Board
19 authorized with the last revision to the Five-Year Plan.
20 We've moved away from our Playground and Track Grants
21 trying to broaden the number of product types where waste
22 tires are being utilized. We've also significantly
23 reduced the grant subsidy, if you will, for each of these
24 projects. So I think these are some good news features of
25 this particular program.

1 With that, I'd like Elena Yates to make the staff
2 presentation and give you the details and particulars on
3 this particular effort.

4 ACTING CHAIRPERSON MULÉ: Good morning.

5 (Thereupon an overhead presentation was
6 presented as follows.)

7 MS. YATES: Good morning, Madam Chair and Board
8 members. I'm Elena Yates with the Products Promotion and
9 Assistance Section.

10 Today, I'll present staff's recommendation to
11 award the Tire Derived Product Grant Program for fiscal
12 year 2005-2006. The purpose of this grant program is to
13 promote markets for recycled content products derived from
14 waste tires generated in California and to decrease the
15 adverse environmental impacts created by unlawful disposal
16 and stockpiling of waste tires.

17 --o0o--

18 MS. YATES: This grant program replaces the
19 Playground Cover and Track and other Recreational
20 Surfacing Grant Program. The TDP Grant Program continues
21 to provide grants to local government entities for
22 playground covers, tracks, and recreational surfaces. It
23 also provides grant opportunities for a variety of other
24 rubberized products, such as sidewalks, guardrails,
25 landscape cover, weed abatement, and mulch.

1 Applicants were qualified to receive funding if
2 they met all of the eligible requirements, had an eligible
3 project, and diverted a minimum of 2500 California waste
4 tires. Tire buffins were excluded from eligible projects
5 in the grant waste program.

6 Furthermore, the TDP Grant Program was more cost
7 effective reducing the maximum dollar of grant support per
8 tire diverted from the previous fiscal year from \$15 to
9 \$10 for each application. The grant program was such a
10 success and oversubscribed, the cost per tire may be
11 reduced next fiscal year.

12 --o0o--

13 MS. YATES: The Five-Year Plan allocated
14 \$1,792,818 to the fiscal year 2005-2006 TDP Grant Program.
15 The evaluation process was approved by the Board in
16 September of 2005. The Board received 98 applications.
17 Twenty-seven applicants were disqualified. Five
18 applicants withdrew. The 66 remaining eligible applicants
19 requested funds totaling \$4,148,608, which exceeds the
20 amount allocated to the TDP grant program by \$2,355,790.
21 Therefore, the Board held a random selection process on
22 January the 11th, 2006, to determine which applicants
23 would receive funding and in what order.

24 --o0o--

25 MS. YATES: Twenty-seven applicants are

1 recommended for funding totaling \$1,749,500. Fifteen
2 applicants are from Southern California, and twelve
3 applicants are from Northern California.

4 Staff recommends that the Board approve the
5 proposed awards and adopt Resolution Number 2006-33 for
6 the fiscal year 2005-2006 TDP Grant Program directing
7 staff to enter into grant agreements with applicants
8 identified in Attachment 1, List A.

9 Furthermore, staff recommends that the Board
10 approve the proposed awards identified in Attachment 2
11 List B should allocated funds become available or in the
12 event the Board wishes to reallocate additional funds to
13 the eligible projects.

14 This concludes my presentation. Are there any
15 questions?

16 CHAIRPERSON PETERSEN: Thank you, Elena.

17 Any there questions for Elena?

18 Board Member Petersen.

19 BOARD MEMBER PETERSEN: I have no questions.

20 ACTING CHAIRPERSON MULÉ: Board Member Brown, if
21 you want to ask your question, and then we do have a
22 speaker.

23 BOARD MEMBER BROWN: I want to have you explain a
24 little bit further your thinking on reducing -- obviously
25 this is an oversubscribed program if there's more

1 applicants than we can take on. And you've reduced from
2 15 to 10. And you're looking at reducing that further
3 next year. Are you considering a phase-out program so
4 that applicants actually can look at the program? And if
5 this is -- I mean, I just want to have you explain a
6 little bit further what your process and thinking is on
7 reducing it and how we can totally phase it out and if
8 people will continue to use the product.

9 DEPUTY DIRECTOR LEE: Yes, Ms. Brown, if I can
10 take a whack at that one.

11 I think in my opening remarks I mentioned we're
12 pleased that, you know -- if you had seen the iteration of
13 this program over the years, I think we've continued to
14 kind of work with it and whittle it down to make it more
15 cost effective and efficient. I'm very pleased we're down
16 to I think this worked out the average grant subsidy per
17 tire used in the project was I think less than \$8. That's
18 still a ways to go from the 1 or \$2 that may cost us with
19 the RAC or civil engineering process. But as we discussed
20 in the Five-Year Plan process last year, we're trying to
21 get to build, you know, a broad market if you will.

22 That said, clearly, the fact that we were so
23 significantly oversubscribed suggests to me that we can go
24 further towards reducing the grant subsidy. And I think
25 that's something that we're going to give very strong

1 consideration to next year.

2 And also again we will be starting up the next
3 Five-Year Plan revision process probably in September or
4 October this year. And again the idea of whether or not
5 the Board needs to be providing, you know, any grant
6 support in this area is something that, you know,
7 certainly will be open for discussion and the Board's
8 determinations there. You know, I can say that this
9 particular program and its variants have found strong
10 support in the stakeholder community for perhaps obvious
11 reasons.

12 WASTE TIRE DIVERSION MANAGER DELMAGE: Mitch
13 Delmage, if I might add, Board Member Brown. This cycle
14 the average cost per tire for this program was \$7.48.
15 That's what makes us feel okay about reducing that down to
16 perhaps five.

17 We also are looking at possibly making it a
18 criteria that they have not had a grant with us before.
19 Because the whole concept behind this is we want people
20 thinking about buying these products and kind of plant
21 these seeds all over the state. And to that end, I think
22 it's been a very successful program.

23 BOARD MEMBER BROWN: I appreciate that. That
24 actually was my point. If we're making this a habitual
25 kind of program, let's see how far we can expand it. And

1 if reducing the grant allocation is a tool to do that,
2 then I strongly encourage that.

3 My other question is the 43,000, why we didn't
4 allocate that or partially fund another project on
5 possibly list B in order to get those funds out the door
6 and not wait for reallocation.

7 WASTE TIRE DIVERSION MANAGER DELMAGE: Let me
8 finish up on the other topic first.

9 One of the things that we added a year or so ago
10 to this particular program was that the jurisdictions that
11 received funding report back to us on how well the
12 products work. So there's kind of a two-fold part to
13 this. We want to get people introduced to it, but we also
14 want to know what products we want to promote in the
15 future.

16 The second part of your question, we had just
17 brought forward last month on part of our grant
18 streamlining efforts that one of the things we want to get
19 away from is requiring when we do a split fund of program
20 that we don't have to have two separate reports, two
21 different grant agreements. So we decided prior to the
22 decision of the Board that we could do it the easier way,
23 that we would just fund down to where we fully funded
24 everybody.

25 Additionally, these projects are such that

1 they're cost certain. For instance, in the HHW programs,
2 there's a little more ability to change the amount that
3 one would award. So we decided that at this particular
4 junction we wouldn't have split funding, we'd allow that
5 money to go to reallocation in the hopes that some of that
6 money would be reallocated to fully fund down our B list.

7 ACTING CHAIRPERSON MULÉ: Mitch, I tend to agree
8 with Board Member Brown here. I mean, if we have a
9 project -- I'm looking here at list B and funding order
10 number one we've got Reedley at \$72,440. So couldn't we
11 go back to Reedley and say, we don't have \$72,440. We
12 have 43. Are you willing to work with us?

13 So I tend to agree with what Board Member Brown
14 is recommending, right. I mean, the whole idea -- we just
15 had this discussion in the previous item about getting
16 this money out. So is that something that we can do? We
17 can go back and look at that. Again, go to that applicant
18 and ask them if they would still be willing to work with
19 us.

20 WASTE TIRE DIVERSION MANAGER DELMAGE: There was
21 another issue on this particular item because of the
22 north/south split. We had a certain amount of money for
23 the north, a certain amount of money for the south. Some
24 was left over on the north side. Some was left over on
25 the south side. So, you know, we can do whatever you

1 want. But I'm just explaining why we made the decision.

2 ACTING CHAIRPERSON MULÉ: Well, I guess I'm a
3 Committee member asking you if we can go back and allocate
4 the 43,000 whatever it is and go back to, you know, the
5 funding order.

6 WASTE TIRE DIVERSION MANAGER DELMAGE: I'm sorry.
7 On List B, you're talking about -- the first one on List B
8 is Black Oak Mine Unified School District for 100,000.

9 ACTING CHAIRPERSON MULÉ: Well, I guess my pages
10 are mixed up.

11 BOARD MEMBER BROWN: Not in ours. In our packet
12 it's the city of Reedley. And then San Bruno for 25,000.

13 ACTING CHAIRPERSON MULÉ: Thank you, Board Member
14 Brown.

15 And, Mitch, the point is it doesn't matter who it
16 is. Our point is that we feel that staff should go back
17 to the -- again in terms of the funding order whatever
18 jurisdiction it is and work with them, you know. Because
19 again maybe they can still use the 43,000, you know, a
20 portion of the --

21 WASTE TIRE DIVERSION MANAGER DELMAGE: We'd be
22 glad to. And with the new direction from the Board, we'll
23 be able to do it in a more simplified way rather than
24 having different grant agreements. Thank you.

25 ACTING CHAIRPERSON MULÉ: Thank you. Thank you,

1 Board Member Brown, for bringing that to our attention.

2 Board Member Peace, do you have anything?

3 COMMITTEE MEMBER PEACE: I was just going to say
4 I was really pleased with how this process worked, to see
5 the different types of projects that came forward, the
6 tracks, the turf, the rubber mulch, the playgrounds, the
7 rubber sidewalks. I was just really pleased to see so
8 many different types of projects this time.

9 ACTING CHAIRPERSON MULÉ: Okay. With that, do we
10 have a motion?

11 BOARD MEMBER PETERSEN: I'll move Resolution
12 2006-33 Revised.

13 ACTING CHAIRPERSON MULÉ: To include the
14 discussion we just had regarding taking the remaining
15 amount of dollars and going to -- I'm sorry. I'm so
16 sorry. I'm folding these before my time. So we do have a
17 speaker before we vote on this. And Mr. Michael
18 Blumenthal, thank you very much.

19 MR. BLUMENTHAL: Thank you, Madam Chair. My name
20 is Michael Blumenthal. I represent the Rubber
21 Manufacturers Association. RMA is the principle trade
22 group that represents the United States based tire
23 manufacturers.

24 I have concerns about this major program. I'm
25 glad to see they have made the one change where you now

1 have to report. I think it's key that you take these
2 reports and turn them into one-page briefing sheets, get
3 them out there, and talk about what the benefits of these
4 different products are.

5 I do not believe that when you have a grant
6 program that it is tantamount to creating a
7 self-sustaining marketplace. As long as you offer this
8 money, they will take the money, and they will buy the
9 products with that money. I've talked to the people who
10 supplied these products, and what I have learned is there
11 is no aftermarket sale. Once a public entity buys this
12 product, there is no follow-up sale. They wait for the
13 next round of grants before they'll buy these products.
14 That is not a self-sustaining marketplace. That is a
15 subsidized marketplace. And when this money goes away,
16 these purchases will go away. This is simply a money
17 give-away. It is not sustaining the marketplace.

18 The information that you have in these reports on
19 playgrounds where you have reduction of injuries or
20 reduction of the severity of the injuries where you have
21 the mulch and you have the better weed control or you have
22 the running tracks and you have the reduction on injuries,
23 these are the kind of things that will sell the products.
24 And I think it is important for the Board and for the
25 staff to get -- this is the information that will make

1 these products sell themselves, not the grants.

2 My guess if you don't have enough money and you
3 want them to meet you halfway, they're going to say no.
4 They'll say, maybe we'll buy a little bit less. They're
5 not going to buy this on their own if this information is
6 not out there. Offering this money has not expanded the
7 marketplace into a self-sustaining repeat marketplace. It
8 only is money given away, and it's not helping the
9 companies in the long run.

10 ACTING CHAIRPERSON MULÉ: And, again, thank you.
11 You've presented those comments to us before, and I really
12 do appreciate your bringing that back forth to us.
13 Because I think we did have a subsequent discussion on,
14 you know, as staff here how do we follow up you know and
15 find out if those jurisdictions that we awarded these
16 grants to, have they continued to purchase the product?
17 And you're right. We did have that discussion. And I
18 don't know though if there has been any follow up.

19 MR. BLUMENTHAL: I haven't spoken to anybody at
20 staff. I don't know if they have or haven't. But I have
21 spoken to the people who sell these products, and they
22 always tell me the same thing. But this is not -- this is
23 not unique to California. I'm not trying to convey the
24 message this only happens here. It happens everywhere
25 around the country. It happens in every state that has a

1 grant program. The entities are happy to purchase
2 whatever they're asked to purchase as long as the money is
3 supplied. In each and every case we've seen the markets
4 go away when the grant programs go away.

5 BOARD MEMBER PETERSEN: So in my head is, where
6 do we go from here? What do you see is next steps as we
7 phase out of this? How do we help those vendors get the
8 information out? How do we help promote that marketplace?
9 And we put it in our state procurement guidelines. We ask
10 municipalities to do the same thing. And then work with
11 the associations and you guys to help promote this. And
12 maybe we take some of those grant funds and start that
13 process.

14 MR. BLUMENTHAL: That is a large part of it. The
15 other part that we have to deal with, if I stand up and
16 say when the use of rubber as a cover is the best thing
17 since sliced bread. It's wonderful. It's great. I
18 represent the manufacturers, so they're going to look at
19 me a little suspect to say, oh, yes. You have a vested
20 interest in this, and you cannot be trusted. I accept
21 that.

22 If, however, the California Integrated Waste
23 Management Board comes out with the same information that
24 I can provide, you are a state agency. You are an
25 unbiased agency. You will check everything on this.

1 You'll do all the research. If an agency comes out and
2 says playground covers made from rubber are the safest
3 thing you can fall onto, reduces injuries, reduces the
4 severity of the injuries, this has been -- these tests
5 have been duplicated in Minnesota, in Illinois, in
6 Maryland and here's the information, get this out to every
7 school district, to every insurance company, to every PTA,
8 that will sell the product. Rubber modified asphalt
9 pavement will sell the product. You don't need to
10 subsidize it, the benefits that can be derived. If this
11 information is provided by a state agency, it goes a lot
12 further than a company doing it.

13 ACTING CHAIRPERSON MULÉ: Right. And we are
14 working on that, and I know our Executive Director has a
15 comment. Mark.

16 EXECUTIVE DIRECTOR LEARY: Madam Chair and
17 Michael -- Michael, of course, you raised a great point.
18 And I think I would just overstate the obvious maybe by
19 suggesting we think back to our green procurement action
20 plan where it includes part of the toolbox case studies.
21 As these project reports will become part of the case
22 studies that ultimately will be used to persuade
23 jurisdictions local and state government to use these
24 products. So we see a place for this effort. At least,
25 it's a partial response. I think we could do even more

1 than what we're proposing as part of our action plan. But
2 at least in terms of short-term priorities for the Board,
3 we've clearly identified that as a mechanism of
4 communication to local jurisdictions to affect their
5 purchasing decisions. So we're optimistic about that.
6 But it's still a little while away.

7 ACTING CHAIRPERSON MULÉ: We are working on our
8 contract again to encourage local jurisdictions to
9 purchase certain items. And, again, as you know, we're
10 focusing on RAC, DTS, the mulch, and concrete aggregate.
11 But, again, I think our vision is to expand that to
12 include all types of products, you know. It's just this
13 whole green procurement philosophy that we hope to spread
14 throughout the state.

15 MR. BLUMENTHAL: Part of this comes from the work
16 we're doing with the EPA resource conservation challenge.
17 There is a group there looking at the rubber products
18 marketplace that's chaired by one of your staff members.
19 And the work done to date says the biggest obstacles out
20 there for tire derived materials for new products is to
21 overcome the obstacles of urban myths and misinformation,
22 doubt, uncertainty. And if this information can be
23 provided -- this is what we're working with on the RCC.
24 Last week I was in the state of South Carolina. They're
25 working on the same exact programs as you are, on the same

1 exact recommendations. And they're going to move ahead on
2 this. So this is not the only state. And it's not that
3 you have to invent the information. The information is
4 already out there. And that can be shared. So it's a lot
5 easier then you may think.

6 ACTING CHAIRPERSON MULE: Again, thank you for
7 bringing that back to us.

8 And Board Member Brown, did you have something to
9 say?

10 BOARD MEMBER BROWN: I think as much as it's us
11 espousing the benefits of using the product, I think we
12 need to look at our grantees. And I think that
13 testimonials from those people who are using the products
14 may even be more effective than a state agency saying use
15 it because we think it's a great idea.

16 MR. BLUMENTHAL: It all fits together as part of
17 the puzzle.

18 BOARD MEMBER BROWN: But that's going to create a
19 self-sustaining market more than us putting it in the
20 toolbox, is to have people out there saying it's great,
21 encouraging their counterparts to use it. So I hope
22 that's something we're pursuing as well.

23 MR. BLUMENTHAL: Thank you very much.

24 ACTING CHAIRPERSON MULE: Thank you,
25 Mr. Blumenthal. Again, I appreciate you bringing your

1 comments back to us.

2 WASTE TIRE DIVERSION MANAGER DELMAGE: Madam
3 Chair, if I might add. The next item, the Business
4 Assistance Program, also has a component to help the
5 manufacturers and distributors develop their market
6 program.

7 ACTING CHAIRPERSON MULÉ: Thank you.

8 BOARD MEMBER PETERSEN: So we have a motion for
9 Resolution Number 2006-33.

10 ACTING CHAIRPERSON MULÉ: And I will second that.
11 And we can substitute the previous roll for that. And
12 this will go on fiscal consent.

13 COMMITTEE MEMBER PEACE: Can I just ask a
14 question on that? I don't know if I'm quite clear or if
15 staff is clear. We are going to have \$43,000 left. We're
16 going to go to the next person on the list and ask them if
17 they will accept the \$43,000 or if they can still do their
18 project with the \$43,000.

19 DEPUTY DIRECTOR LEE: Yes.

20 COMMITTEE MEMBER PEACE: If they say no, do we go
21 to the next one?

22 ACTING CHAIRPERSON MULÉ: Yes.

23 COMMITTEE MEMBER PEACE: Just keep going down the
24 list until we find someone who will take the partial
25 amount, and then we'll bring that I guess as another item

1 to the Board?

2 DEPUTY DIRECTOR LEE: Ms. Peace, if we could have
3 the decision on that 43,000 if we could have that
4 delegated to the Executive Director, I think we understand
5 the Board's direction on this. If that meets with your
6 approval and the Committee's approval.

7 COMMITTEE MEMBER PEACE: That's fine with me.

8 DEPUTY DIRECTOR LEE: The discussion was on the
9 43,000, Board Member Peace suggested perhaps we need to
10 bring that back before the Board for consideration of
11 award. I asked again if the Committee could delegate that
12 to the Executive Director so we can avoid having to bring
13 back a separate agenda item for that one.

14 ACTING CHAIRPERSON MULÉ: Absolutely.

15 COMMITTEE MEMBER PEACE: That would be fine.

16 ACTING CHAIRPERSON MULÉ: Next item.

17 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

18 Board Item G is Consideration and Approval of
19 Contractor and Award of Contract for the Tire Derived
20 Business Assistance Program, Tire Recycling Management
21 Fund, Fiscal Years 2005-06 and 2006-07.

22 We've come to the Board a couple of times with
23 this particular item to roll out to the criteria and to
24 put out the NOFA. I think now we're ready to make the
25 award to a selected contractor. I'll ask Calvin Young to

1 give you a brief recap what's involved with the Business
2 Assistance Program and to announce who our proposed
3 contractor selection is.

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 MR. YOUNG: Good morning. My name is Calvin
7 Young with the Product Promotion and Assistance Section.
8 Special welcome to our new Board Member, Ms. Brown, there.

9 This is for Consideration for the Contractor for
10 the Tire Derived Product Business Assistance Program. And
11 much like our acronym for our Board itself, we'll just
12 refer to this as a Business Assistance Program.
13 Otherwise, I'll get a little tongue tied as we go through
14 this.

15 I want to thank Michael Blumenthal for kind of
16 the segue into this and Mitch for making the bridge there
17 as well. This program very much meets what Board Member
18 Brown and others were talking about just a few moments ago
19 making the connection to enable companies to be more cost
20 effective, more efficient in their production so they can
21 be more competitive in the marketplace, thus reducing the
22 long-term need for subsidies for the particular products.

23 The program itself -- and I'll briefly go over
24 that for the benefit of new Board members here. The
25 program itself helps companies that produce tire derived

1 products to improve their business operations and cost
2 efficiencies. There's two primary components to the
3 program.

4 --o0o--

5 MR. YOUNG: The first is an agreement with
6 individual businesses to receive the services. There's
7 reporting requirements and so on and so forth. And the
8 other is the contractor to provide the majority of these
9 services.

10 What we're looking to do is the contractor also
11 has the additional thing as was alluded to a few moments
12 ago of providing assistance for sector or industry-wide
13 activities. That could include testing of materials or
14 products, coordinating marketing approaches, website
15 coordination, third-party testimonials, and what have you.
16 As an aside, we also have incorporated into the
17 third-party testimonials what we have been doing for the
18 last year or two with the contracts that we have with
19 other state agencies.

20 Most recently was the California Conservation
21 Corps which was 325, if memory serves, thousand to
22 purchase a variety of tire derived products. They are
23 then going to be installing those and evaluating those and
24 providing testimonials as exactly was mentioned to
25 encourage other state agencies to do the same. This year,

1 we're having discussions with one of the areas of
2 Caltrans, one of the districts of Caltrans to work on
3 other tire derived products, again spreading the gospel
4 and working in that way there.

5 Due to the wide nature of services that are
6 contemplated by the contract for this contractor,
7 everything -- and I'll go over it here in just a second on
8 the next slide. But it was thought that probably the best
9 way to approach this would be to have a contractor that
10 would assemble a dream team as it were that would be able
11 to pull people that had experience in marketing,
12 significant marketing experience. We kept hearing over
13 and over from our stakeholders they needed assistance with
14 marketing, assistance with product testing and
15 certification of products, assistance with just basically
16 business planning and getting their own business plan
17 together and what have you. So it was somewhat that it
18 would be a team approach to put these things together.

19 --o0o--

20 MR. YOUNG: The types of assistance again were
21 under the program: The general business assistance,
22 business plan development, inventory management,
23 accounting structures, technical assistance, helping with
24 manufacturing design, layout of the plant, optimizing
25 equipment performance, marketing assistance, include

1 everything from promotion to packaging and distribution,
2 trade shows, and the testing and certification. And if
3 equipped specific equipment is also identified that would
4 increase the productivity or efficiency of a company, that
5 would also be covered under this particular program.

6 --o0o--

7 MR. YOUNG: The RFP process itself is what was
8 referred to as an RFP secondary. A secondary process is
9 used when there's -- we're looking for someone that has or
10 an entity that has a highly technical or specialized
11 services. So in that particular process, more weight is
12 given toward the qualifications and relative experience of
13 the proposer.

14 We went out and sought referrals. We went
15 through our interested parties process. So this was
16 discussed along with the general criteria at several
17 interested parties meetings. So there was a good bit of
18 getting the word out on that. And thankfully we sought
19 referrals from our stakeholders like, if you were to put
20 together a dream team, who would you want? We assembled
21 that information, compiled that information, and made it
22 available for those that would be interested in making a
23 proposal on the project.

24 We received almost 50 people, 50 entities --
25 individuals and entities that were interested in

1 participating in this. The information was also posted on
2 the DGS, Department of General Services, website, our
3 contract website, and also included in the California Tire
4 Report, got the word out there a little bit too.

5 We allowed seven weeks for the proposal. Six to
6 eight weeks is typical. So we kind of pegged it in the
7 middle there, which allowed enough opportunity for the
8 proposers to come together. We had a proposers
9 conference. We had a question and answer period and
10 posted those on the website. We had a proposer review
11 team or scoring team that was comprised of a
12 representative from the Recycling Market Development Zone
13 Program and two representatives from the Tire Programs,
14 including one supervisor.

15 The contract manager, me, just to let you know,
16 is also specifically excluded from scoring the potential
17 contractor because they'll be eventually dealing with that
18 contractor.

19 R.W. Beck, when it was all said and done,
20 received the highest score of the two proposals we did
21 receive. They were two very good proposals, strong
22 proposals that came from. The one from R.W. Beck and the
23 other from Cal Recovery. R.W. Beck received the highest
24 score and clearly understood the vision that we were
25 trying to accomplish with the program and that the Board

1 had set forth and had been discussed at numerous
2 stakeholder meetings. That was pretty evident in their
3 approach, their methodology, as well as the composition of
4 team members with the relevant experience that we were
5 talking about and asking for in the RFP.

6 A little bit on R.W. Beck. They have been
7 providing engineering and consulting services since 1942,
8 and they've completed projects worth more than \$150
9 billion. That's with a B. In 2005, they prepared a
10 comprehensive scrap tire analysis and strategic market
11 development plan for the state of New York, which
12 unfortunately is not public information yet. I've been
13 waiting for that one to come out.

14 The R.W. Beck team will be led by Ed Boisson who
15 has extensive experience in recycling and market
16 development activities for a number of years.

17 Some of the other team include the Corporation
18 for Manufacturing Excellence and the California
19 Manufacturing Technology Consultants, which are affiliates
20 of the Manufacturing Extension Partnership -- the Federal
21 Manufacturing Extension Partnership, and they provided
22 general and technical business assistance to hundreds of
23 clients since 1993.

24 Riester-Rob is one of the largest independent
25 advertising agencies in the Western United States. They

1 have over 90 employees. They have created and implemented
2 a number of successful public education and marketing
3 campaigns. They also have extensive experience with
4 product branding, web design, and e-commerce.

5 Underwriters Laboratory is an independent
6 organization that provides product safety and
7 certification testing. UL is an integral player in the
8 development of standards, evaluation of products, and
9 publishing reports for use by buyers, inspectors, and
10 consumers.

11 Bottom Line Consulting has worked with several
12 manufacturing clients to successfully incorporate recycled
13 rubber and plastic into products for the automotive, lawn,
14 and garden and telecommunications industries.

15 AM Pros, their strength is in business assessment
16 and process. They've recently prepared an analysis and
17 analyzed numerous businesses for U.S. EPA Region 5. And
18 they've also prepared a benchmarking report for operating
19 statistics for recycling businesses.

20 Those members that have been around when we were
21 originally talking about this, one of the things that I
22 feel is very important, and based on direction from the
23 Board, is it's good to come out with programs, good to say
24 you're going to do things, but I'm one of those kind of
25 show me the money or show me the numbers. This will help

1 us develop benchmarks as far as the baseline information
2 as well as measure the success of the program and make
3 appropriate adjustments.

4 Sierra Lake Group has successfully worked with
5 numerous small and emerging businesses to develop and
6 market their products. They recently have had a small
7 contract with the Recycling Market Development Zone folks
8 and the staff and program is very pleased with their
9 activities.

10 --o0o--

11 MR. YOUNG: Finally, as far as recommendations,
12 we request that the Board adopt the Resolution and place
13 it on fiscal consent for Board's consideration.

14 As a little commercial, we also have a March 9th
15 interested parties meeting which will be a roll out of the
16 program, a better explanation of the synergistic effect of
17 the various aspects, the market development aspects of the
18 Five-Year Plan and how things like the Tire Derived
19 Product Grants meshes as part of the synergy with the
20 business assistance, which is part of the synergy with
21 some of these other aspects of that. So that may be a
22 good opportunity to kind of explain those. Roll out the
23 program, provide an opportunity to introduce the
24 stakeholders to the contractor team. We will also have
25 representatives from other state entities. We're planning

1 to invite the Treasurer's Office and some others to talk
2 about their particular programs. So it will be a full day
3 of a lot of discussion on kind of what brought us here,
4 where we're at, the services we're providing, and other
5 services available to businesses. So that was my
6 commercial on that.

7 With that, are there any questions?

8 CHAIRPERSON PETERSEN: Questions?

9 Board Member Petersen.

10 BOARD MEMBER PETERSEN: Calvin, this is quite a
11 hit list. I'm intrigued. R.W. Beck, we know them. We've
12 worked with them before. Is this proposal available for
13 us to take a look at to see how -- I'm very intrigued with
14 the lineup you got here. Is that available to us?

15 MR. YOUNG: Not yet and let me explain that. And
16 perhaps I'll refer over to legal counsel for the answer to
17 that.

18 STAFF COUNSEL ARMSTRONG: The contracting process
19 is a statutorily mandated competitive process. And until
20 the Board actually awards the contract, it's still a
21 competitive process. And a member of the awarding body
22 actually reviewing the proposal may compromise the
23 competitive process and may subject us to protest. And so
24 after the Board has awarded the contract, you're welcome
25 to look at the proposal. But prior to that, no.

1 BOARD MEMBER PETERSEN: Interesting.

2 MR. YOUNG: But we would be more than happy to
3 share it with you once the Board action is --

4 BOARD MEMBER PETERSEN: Sharing is good.

5 MR. YOUNG: I can share. I can share. And I can
6 answer any things that are not confidential about the
7 proposal.

8 BOARD MEMBER PETERSEN: The other thing I want to
9 know about is the certification. When you mention UL, my
10 ears go straight up, because we're playing in the big
11 leagues of guys you trust. This is really interesting how
12 they put this together. And I'm all for it. This is
13 grand stuff. That's why I want to see how they put this
14 all together.

15 MR. YOUNG: And once there's action -- and I'm
16 taking direction from legal counsel here. More than
17 pleased to share everything with folks. And if there
18 would be a desire to maybe have a discussion with any of
19 the principles involved with R.W. Beck, that may be
20 something we could arrange as well.

21 BOARD MEMBER PETERSEN: Great. Thank you.

22 STAFF COUNSEL ARMSTRONG: Afterwards.

23 ACTING CHAIRPERSON MULÉ: Well, I guess my
24 question, it's similar, but a little bit different. We
25 had two proposal submissions. And what I want to know is

1 what set this proposal apart from the other one? Because
2 I did hear you say earlier they were both very good
3 proposals. Because it's not in our agenda item. And I'm
4 a little disappointed that the agenda item just really
5 didn't talk about that. But so if you could share with us
6 what set this proposal apart from the other one, I think
7 that's going to help us with our decisionmaking here
8 today.

9 MR. YOUNG: I can appreciate that. Thank you.

10 Succinctly, the RFP secondary process places the
11 emphasis on the knowledge, skills, and ability, the
12 experience and qualifications of the contractor as well as
13 their methodology or their approach for what they want to
14 accomplish. Cost is a factor. Cost is about 30 percent,
15 33 percent of the overall scoring.

16 The R.W. Beck proposal clearly captured what we
17 had been discussing at our interested parties meeting.
18 Clearly, in the experience and composition of their team,
19 they understood what we were trying to accomplish as
20 stated in the interested parties meetings as well as the
21 RFP itself. They realize the vision we were trying to
22 accomplish. They clearly assembled a team that had the
23 skills and abilities and experience to bring that to bear.
24 And they had the approach that was clearly consistent with
25 Board direction and what had been requested before.

1 ACTING CHAIRPERSON MULÉ: Thank you, Calvin.

2 Board Member Petersen.

3 BOARD MEMBER PETERSEN: One more question. Is
4 there a way that before the Board meeting the evaluation
5 scores documentation can be given to the Board members?

6 MR. YOUNG: I'll refer to legal on that.

7 STAFF COUNSEL ARMSTRONG: I'm sorry, no. Not at
8 this point. The evaluation team is charged with doing the
9 evaluation and making a recommendation to the Board. And
10 it's kind of the same thing. We had this discussion
11 before the newer Board members joined the Board with
12 grants, that recommendations are made to the Board and the
13 Board can either accept or reject the recommendation of
14 the evaluation team. And I know I get the sense that you
15 feel like you're operating in a vacuum.

16 BOARD MEMBER PETERSEN: There you go.

17 ACTING CHAIRPERSON MULÉ: I think we are.

18 STAFF COUNSEL ARMSTRONG: But you're reliant on
19 the expertise of the people on the evaluation team to make
20 that assessment.

21 BOARD MEMBER PETERSEN: I have no doubt about the
22 talents of our staff. It's just that since they were so
23 close and it's intriguing how you guys did this. Anyway,
24 okay.

25 MR. YOUNG: If I could ask a question of legal

1 counsel. I know we can't at this point reveal any scores
2 or share the proposal. At what point can we share the
3 comments from the review team?

4 STAFF COUNSEL ARMSTRONG: Afterwards.

5 MR. YOUNG: Is there any mechanism that we can do
6 that would not compromise or potentially compromise the
7 process that would give an additional comfort level to the
8 Board members?

9 STAFF COUNSEL ARMSTRONG: I believe we can say
10 the scores were not close, that the R.W. Beck scores
11 were -- R.W. Beck scores were considerably higher than the
12 other proposal.

13 BOARD MEMBER PETERSEN: Like a ball game. Got
14 it.

15 ACTING CHAIRPERSON MULÉ: Okay. Do we have any
16 other questions or comments, Board Member Peace, before we
17 take a motion on this, Item 6?

18 COMMITTEE MEMBER PEACE: No.

19 BOARD MEMBER PETERSEN: I move Resolution 2000-34
20 Revised.

21 ACTING CHAIRPERSON MULÉ: I will second that.

22 And, actually, since this a fiscal item, we will
23 take a vote. Donnell.

24 EXECUTIVE ASSISTANT DUCLO: Members Petersen?

25 BOARD MEMBER PETERSEN: Aye.

1 EXECUTIVE ASSISTANT DUCLO: Mulé?

2 ACTING CHAIRPERSON MULÉ: Aye.

3 This will go on fiscal consent.

4 ACTING CHAIRPERSON MULÉ: Thank you.

5 Our final item, Mr. Lee.

6 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

7 Final item, Committee Item H, Consideration of
8 Concept and Direction Regarding the Reallocation of Unused
9 Fiscal Year 2005-06 Tire Recycling Management Program
10 Funds.

11 This particular item was the outgrowth of what
12 staff understood, or perhaps misunderstood, our direction
13 was coming out of the May 2005 Five-Year Plan revision
14 process. We understood our direction basically was to
15 come forth with an item in the early part of the year to
16 advise the Board with regards to where we were in getting
17 the 05-06 -- encumber all the 05-06 funds which are set
18 forth in the Five-Year Plan.

19 We also had been directed to solicit input from
20 stakeholders early in the process so that we can hear from
21 them where they think funds that might become available
22 during reallocation might be spent.

23 And thirdly, we understood our direction that the
24 Board might want to consider an early reallocation. By
25 early I mean sooner than our normal process of bringing

1 this item back before the Board in May.

2 After some additional internal discussion on
3 this, I believe the staff would like to recommend to the
4 Committee a third option which is not currently listed in
5 your package. And that would be to utilize the time this
6 morning for the staff to update you on our progress on the
7 allocations, but to defer any formal Board direction on
8 the reallocation until the more conventional time in May.
9 So that would be the basis of a third option I'd like the
10 put forth before the Committee with staff's
11 recommendation. If that meets with your approval, Madam
12 Chair, I'd like to ask Mitch to walk you through the
13 update process.

14 ACTING CHAIRPERSON MULÉ: Thank you, Mr. Lee.
15 Mitch.

16 (Thereupon an overhead presentation was
17 presented as follows.)

18 WASTE TIRE DIVERSION MANAGER DELMAGE: Thank you,
19 Madam Chair. Mitch Delmage, Manager of the Tire Program.

20 As Jim indicated, I'll focus my remarks just on
21 updating this Committee on the fiscal year 2005-2006 Tire
22 Recycling Management Program funds. I'm going to just
23 focus on the things we know right now, and then I'll go
24 through step by step all of our line items.

25 So at this point in time, the program has funds

1 available from the Life Cycle Assessment --

2 --o0o--

3 WASTE TIRE DIVERSION MANAGER DELMAGE: Life Cycle
4 Assessment, we have 250,000 available.

5 Identifying Market Demand, we have 250,000
6 available.

7 The 43,318 is no longer available because we will
8 incorporate that into the existing Tire Derived Product
9 Grants if we do find somebody that is willing.

10 175,000, that will be available out of the line
11 item that Support For Other CIWMB Activities. That's
12 primarily market division.

13 And then 175,000 that's available from moneys
14 that were not expended for the RAC Technical Centers.

15 In addition, we have the million-dollar reserve
16 that may be available contingent upon no emergencies
17 occurring before June 30th.

18 --o0o--

19 WASTE TIRE DIVERSION MANAGER DELMAGE: Tire
20 Program activities that may need additional funding, the
21 long-term remediation of the Tracy tire fire site, we've
22 talked about that in the past.

23 The Targeted RAC Incentive Program, at this point
24 in time we feel we'll be fairly close to meeting our
25 targets on the Targeted RAC Grant Program. But we could

1 be a little under, we could be a little over.

2 Local Community Cleanup Grants, Local Government
3 Amnesty Grants, and then of course the Tire Derived
4 Product Grants, you saw List B which was quite expensive.

5 Now we've changed the portion of the agenda item
6 that listed all the program elements and activities to
7 reflect what our best estimates are --

8 --o0o--

9 WASTE TIRE DIVERSION MANAGER DELMAGE: -- of each
10 line item. So if the Committee likes, I will just go
11 through them one by one.

12 Under Program Elements and Activities
13 Enforcement, the Surveillance and Enforcement Assistance
14 has allocated 350,000. We anticipate that all of that
15 will be expended.

16 The CDAA Enforcement Case Assistance we have
17 100,000 allocated. We expect that all to be expended.

18 Local Government Waste Tire Grants we have 6
19 million. We've been working very hard getting the word
20 out, getting local governments involved in this. And we
21 believe we'll be very close to expending that entire 6
22 million.

23 ACTING CHAIRPERSON MULÉ: Mitch, did we spend all
24 this money last year?

25 WASTE TIRE DIVERSION MANAGER DELMAGE: No, we

1 didn't.

2 ACTING CHAIRPERSON MULÉ: That was
3 undersubscribed, wasn't it?

4 DEPUTY DIRECTOR LEE: Yes, it was.

5 ACTING CHAIRPERSON MULÉ: Do you know by how
6 much?

7 WASTE TIRE DIVERSION MANAGER DELMAGE: About
8 800,000, I believe.

9 ACTING CHAIRPERSON MULÉ: Thank you.

10 WASTE TIRE DIVERSION MANAGER DELMAGE: And the
11 application process did close last Friday. So we're going
12 through that.

13 So under the Enforcement totals we expect that we
14 won't have any funds left for reallocation.

15 Under Cleanup, Abatement, and Remedial Action,
16 Long-Term Remediation Projects we had 1.3 million. We've
17 encumbered 1.3 million.

18 Short-Term Remediation, we had 1.5 million. We
19 have encumbered 1.5 million.

20 Local Government Waste Tire Cleanup Grants, we
21 had 1 million. We have an item coming in April. We
22 expect that will be fully expended.

23 Local Government Amnesty Grants, again we have a
24 million available. We expect that to be fully expended.

25 ACTING CHAIRPERSON MULÉ: Was that program fully

1 subscribed last year?

2 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes, in
3 fact, Amnesty was oversubscribed.

4 ACTING CHAIRPERSON MULÉ: That's what I thought.
5 Thank you.

6 WASTE TIRE DIVERSION MANAGER DELMAGE: Again, for
7 Cleanup, Abatement and Remedial Action, we expect no funds
8 available for reallocation.

9 Research Promoting Alternatives to Landfill
10 Disposal had 75,000 set aside for border outreach
11 activities. We have expended that entire amount or
12 encumbered it.

13 Tire Derived Product Testing and Certification we
14 have 300- available. We have an item coming forward we
15 expect that to be encumbered as well.

16 ACTING CHAIRPERSON MULÉ: This says it's rolled
17 into the Business Assistance Program.

18 WASTE TIRE DIVERSION MANAGER DELMAGE: Right. So
19 it is encumbered.

20 ACTING CHAIRPERSON MULÉ: Okay.

21 WASTE TIRE DIVERSION MANAGER DELMAGE: That's
22 February.

23 ACTING CHAIRPERSON MULÉ: So it's actually --

24 WASTE TIRE DIVERSION MANAGER DELMAGE: It was
25 February. It was February. Sorry about that.

1 Life Cycle Assessment of Tire Management Methods,
2 again we had 250,000 available. That will not be
3 encumbered, so that 250,000 we know will be available for
4 reallocation.

5 Generation and Diversion Data Study, that was
6 \$100,000. We have that encumbered in a contract.

7 Identifying Market Demand for Tire Derived
8 Products, that was 250,000. And again that was rolled
9 into -- I'm sorry. That will not be expended. That's
10 right.

11 So we expect for Research Promoting Alternatives
12 to Landfill Disposals that we'll have 500,000 that we know
13 of that will be available.

14 Market Development and New Technology Activities,
15 Social Marketing Campaign to Promote Sustainable Practices
16 we have 300,000. We expect to bring that item to the
17 Board and that to be fully encumbered.

18 Targeted RAC Incentive Program we'll be awarding
19 monthly now. We do expect to get very close to expending
20 that full amount. And we'll know better as these start
21 coming in.

22 And I would like to add at this point since we
23 have now the criteria, as soon as it's approved by the
24 Board, we will prepare a letter under signature from the
25 Board and with the new NOFA explaining that we'll be in a

1 monthly process now and reminding everybody that the money
2 is available. So we should spur that.

3 Civil Engineering Grants and Contracts, we have
4 500,000 available for that. We have an item scheduled for
5 May. We expect that to be expended.

6 Tire Derived Product Grants we had 1.8 million
7 approximately. That will be fully awarded hopefully at
8 the Board meeting. We did have the 43,000 left, but that
9 is off this chart now.

10 Tire Business Assistance Program, 1.5. That was
11 just taken care of.

12 Targeted Outreach for Tire Derived Products we
13 had 400,000, and we've expended the 400,000 on that.

14 Support of Other CIWMB Activities Market
15 Division, we expect 175,000 available. We have a June
16 item. We're not sure exactly when all the items will be
17 brought forward on that particular one.

18 Tire Forums, we had 100,000. We have encumbered
19 that.

20 RAC Technical Centers, we had 250,000 available.
21 And we encumbered 75,000 of that. We have 175,000
22 available.

23 The total now will be minus that 43,318, 850,000.

24 The Tire Hauler Program and Manifest System, we
25 had 550,000. We have encumbered that amount. So none

1 will be available through that program.

2 Again, the total amounts you have there with the
3 one change of minusing the 43,318 now. That is minus the
4 amount for local assistance expenditures only. I'd like
5 to defer to Sally French to explain that.

6 MS. FRENCH: Hi. We have to spend 4 million on
7 local assistance. So until we finish reviewing our grants
8 for the Enforcement, the Cleanup, and the Amnesty and be
9 able to code those and get as close as we can to \$4
10 million, we will not know that amount. We've been about
11 700 and \$1,200 that has remained after we've coded those
12 grants.

13 ACTING CHAIRPERSON MULÉ: Is that required by
14 statute?

15 MS. FRENCH: Yes, it is.

16 ACTING CHAIRPERSON MULÉ: So that's after
17 everything is -- what's left over? I'm a little confused
18 on that, the 4 million.

19 MS. FRENCH: I guess what I've heard from budgets
20 is that when we started the program and submitted our BCP,
21 we committed that \$4 million would go to local assistance.
22 So we have to only use those funds for local assistance.

23 ACTING CHAIRPERSON MULÉ: And how do we define
24 local assistance?

25 MS. FRENCH: I'm assuming those are the local

1 government grants that we provide, which we have three.
2 We have the Tire Enforcement, the Tire Cleanup, and the
3 Amnesty Grants that go to local assistance.

4 ACTING CHAIRPERSON MULÉ: Okay. So we have the
5 Waste Tire Cleanup Grant Program is the local assistance,
6 the Local Government Amnesty Grant and --

7 MS. FRENCH: And the Tire Enforcements. Yes.

8 The Enforcement Grants closed on the 4th, and the
9 two others, the Cleanup and Amnesty, those will close this
10 Friday. So they'll be under the review, and we should
11 have that number in the next month or so.

12 ACTING CHAIRPERSON MULÉ: So right now we're
13 looking at 8 million that's currently committed to local
14 grants, local assistance.

15 MS. FRENCH: Yes. We have 8 million, and we have
16 to code at least 4 million. So we can't split fund one
17 grant. So we come as close as we can mixing up the grants
18 to get as close to 4 million pulling those out. And
19 usually we're between 700 and \$1,200.

20 ACTING CHAIRPERSON MULÉ: So if we're
21 undersubscribed in any of these local grants programs,
22 those dollars can go --

23 MS. FRENCH: Would not be able to be spent. They
24 have to go to local governments.

25 ACTING CHAIRPERSON MULÉ: If it's above the 4

1 million?

2 MS. FRENCH: If it's above the 4 million, we're
3 okay. Only 4 million needs to be spent.

4 ACTING CHAIRPERSON MULÉ: Right. Okay.
5 Any questions?

6 COMMITTEE MEMBER PEACE: I guess the only
7 question I had, the reserve money, is that in here
8 somewhere? Isn't there like a million dollars from the
9 reserve, but 400,000 has been encumbered?

10 WASTE TIRE DIVERSION MANAGER DELMAGE: Yes, that
11 is correct, Board Member Peace. So totally if all goes as
12 planned, we would have 1,850,000; is that correct?

13 MS. FRENCH: We need to subtract out the 400,000.
14 So we have 1,450,000.

15 WASTE TIRE DIVERSION MANAGER DELMAGE: So at this
16 point in time 1,450,000 will be available for
17 reallocation.

18 BOARD MEMBER BROWN: What was the 400 you
19 subtracted? I missed something. It was a million in the
20 emergency fund, plus the 850,000. What was the 400 you
21 subtracted for?

22 WASTE TIRE DIVERSION MANAGER DELMAGE: In
23 December, we brought forth an item increasing the amount
24 we needed for the Tracy tire fire cleanup by 400,00. And
25 we had identified that early on.

1 ACTING CHAIRPERSON MULÉ: But that's not
2 reflected in here.

3 DEPUTY DIRECTOR LEE: No.

4 WASTE TIRE DIVERSION MANAGER DELMAGE: No.

5 ACTING CHAIRPERSON MULÉ: Okay. Well, thank you
6 very much for that update. We really appreciate the
7 status report and all the work that you did on this. I
8 know there was a lot of work that went into this, and I
9 know we kind of made you give us your best guesstimates,
10 but we appreciate that. Thank you. We look forward to
11 having this item come back to us.

12 I don't know if there are any other comments from
13 staff or from the public or from the Board members.
14 Seeing none, this meeting is adjourned. Thank you, all.

15 (Thereupon the California Integrated Waste
16 Management Board, Special Waste Committee
17 adjourned at 12:22 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 16th day February, 2006.

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23 TIFFANY C. KRAFT, CSR, RPR
24 Certified Shorthand Reporter
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